

SCRep. 876 International Affairs on H.C.R. No. 52

The purpose of this concurrent resolution is to authorize the establishment of a sister state-prefecture relationship between Hawaii and the Ehime prefecture of Japan.

The Department of Business, Economic Development, and Tourism, Hawaii Winter Baseball, Babe Ruth Baseball of Hawaii, Hiroshima-Hawaii Baseball Club, and two individuals testified in support of this concurrent resolution.

Your Committee finds that the tragic accident involving the Ehime Maru training ship has brought the residents of Hawaii and the Ehime prefecture closer together. Your Committee further finds that the establishment of a sister state-prefecture relationship will encourage economic, cultural, and educational exchanges between Hawaii and the Ehime prefecture.

Your Committee has amended this concurrent resolution by:

- (1) Correcting the date of the Ehime Maru accident to February 9, 2001;
- (2) Providing that this state-prefecture relationship shall continue until July 1, 2008; 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 International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 52, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 52, H.D. 1.

Signed by all members of the Committee except Representatives Takai, Kahikina, Nishimoto and Stonebraker.

SCRep. 877 International Affairs on H.R. No. 26

The purpose of this resolution is to urge the United States Department of Homeland Security to relax restrictions on the granting of nonimmigrant visas to nationals of the People's Republic of China for the purpose of business, tourism, and study in the United States.

The Department of Business, Economic Development, and Tourism and the Hawaii Tourism Authority testified in support of this resolution.

Your Committee believes that if travel between Hawaii and China were made easier through the relaxation of nonimmigrant visas to nationals of the People's Republic of China, the State's efforts to increase business and tourist travel to Hawaii would be enhanced.

Your Committee has amended this resolution by:

- (1) Changing the title to read, "STRONGLY URGING THE UNITED STATES DEPARTMENT OF HOMELAND SECURITY TO CONSIDER PROPOSALS THAT ARE CONSISTENT WITH THE UNITED STATES' NATIONAL INTERESTS AND ARE RESPONSIVE TO HOMELAND SECURITY CONCERNS TO RELAX THE RESTRICTIONS ON THE GRANTING OF NONIMMIGRANT VISAS TO NATIONALS OF THE PEOPLE'S REPUBLIC OF CHINA FOR THE PURPOSE OF BUSINESS, TOURISM, AND STUDY IN THE UNITED STATES";
- (2) Providing that the United States Department of Homeland Security is strongly urged to consider proposals that are consistent with the United States' national interests and are responsive to homeland security concerns; 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 International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 26, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 26, H.D. 1.

Signed by all members of the Committee except Representatives Takai, Kahikina, Nishimoto and Stonebraker.

SCRep. 878 International Affairs on H.C.R. No. 22

The purpose of this concurrent resolution is to urge the United States Department of Homeland Security to relax restrictions on the granting of nonimmigrant visas to nationals of the People's Republic of China for the purpose of business, tourism, and study in the United States.

The Department of Business, Economic Development, and Tourism and the Hawaii Tourism Authority testified in support of this concurrent resolution.

Your Committee believes that if travel between Hawaii and China were made easier through the relaxation of nonimmigrant visas to nationals of the People's Republic of China, the State's efforts to increase business and tourist travel to Hawaii would be enhanced.

Your Committee has amended this concurrent resolution by:

- (1) Changing the title to read, "STRONGLY URGING THE UNITED STATES DEPARTMENT OF HOMELAND SECURITY TO CONSIDER PROPOSALS THAT ARE CONSISTENT WITH THE UNITED STATES' NATIONAL INTERESTS AND ARE RESPONSIVE TO HOMELAND SECURITY CONCERNS TO RELAX THE RESTRICTIONS ON THE GRANTING OF NONIMMIGRANT VISAS TO NATIONALS OF THE PEOPLE'S REPUBLIC OF CHINA FOR THE PURPOSE OF BUSINESS, TOURISM, AND STUDY IN THE UNITED STATES";
- (2) Providing that the United States Department of Homeland Security is strongly urged to consider proposals that are consistent with the United States' national interests and are responsive to homeland security concerns; 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 International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 22, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 22, H.D. 1.

Signed by all members of the Committee except Representatives Takai, Kahikina, Nishimoto and Stonebraker.

SCRep. 879 Health/Human Services and Housing on H.C.R. No. 9

The purpose of this concurrent resolution is to request the Governor to establish a statewide interagency task force to develop an implementation plan for the coordination and expansion of services provided to young children and their families.

The Department of Human Services, Good Beginnings Alliance, Blueprint for Change, and Parents and Children Together testified in support of this measure. The Hawaii Early Intervention Coordinating Council supported the intent of this measure. The Judiciary submitted comments.

Your Committees find that while there are many worthy organizations providing services to reduce child abuse and neglect, improvement is needed in coordinating these services. Additionally, child abuse prevention is a complex issue that has become even more challenging. A task force will assist in determining the most appropriate interventions.

Your Committees have amended this concurrent resolution by:

- (1) Adding representatives from the CARE Project and Consuelo Foundation to the task force; and
- (2) Making technical, nonsubstantive amendments for purposes of style, clarity and conformity.

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 concur with the intent and purpose of H.C.R. No. 9, as amended herein, and recommend that it be referred to the Committee on Judiciary, in the form attached hereto as H.C.R. No. 9, H.D. 1.

Signed by all members of the Committee except Representatives Arakaki, Hale, Takai and Stonebraker.

SCRep. 880 Labor and Public Employment on S.B. No. 1070

The purpose of this bill is to amend Hawaii's Workers' Compensation Law by:

- (1) Requiring that examinations to determine permanent impairment in workers' compensation cases be performed by a physician who has been mutually agreed upon by both the employer and employee; and
- (2) Requiring the Director of Labor and Industrial Relations to appoint a physician from a list of qualified examiners if mutual agreement on a physician cannot be reached by both the employer and employee.

ILWU Local 142 and Consumer Lawyers of Hawaii testified in support of this bill. The Department of Labor and Industrial Relations (DLIR), Hawaii Insurers Council, Hawaii Employers' Mutual Insurance Company, Inc., Academy of Independent Medical Examiners of Hawaii, Hawaii Medical Association, Chamber of Commerce of Hawaii, Society for Human Resource Management, and several concerned physicians testified in opposition to this bill.

Your Committee finds that the procedure for selecting permanent-impairment examiners is not defined by statute or rule. Because of this, the selection process is often prolonged and combative. This bill attempts to streamline the process by requiring opposing parties to agree upon a mutually acceptable examiner, or failing that, allowing the Director of DLIR to appoint an examiner from a list of qualified examiners. Your Committee believes that these procedures will reduce delays and costs and result in the appointment of a fair and qualified examiner by agreement of the parties.

Upon consideration, your Committee has amended this bill by deleting its substance and inserting the provisions of H.B. No. 1013, H.D. 3. As amended, this bill would also:

- (1) Clarify that the procedure for selecting a physician applies solely to examinations performed to determine permanent impairment;
- (2) Clarify that the list of qualified examiners be categorized by specialty practice and, to the extent necessary, that examiners be selected by specialty practice; and
- (3) Authorize the Director of DLIR to adopt rules under chapter 91, Hawaii Revised Statutes, to effectuate the purposes of this bill.

In addition, technical, nonsubstantive amendments were made for purposes of style 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 S.B. No. 1070, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1070, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Ito, Blundell, Moses, Pendleton.

SCRep. 881 Labor and Public Employment on S.B. No. 1309

The purpose of this bill is to clarify laws pertaining to the Employees' Retirement System (ERS) by:

- (1) Restoring the method used to calculate a member's average final compensation (AFC) to the formula in effect prior to the enactment of Act 128, Session Laws of Hawaii (SLH) 2002; and
- (2) Requiring the effective date of retirement to be on the first day of the month or the last day of the year for elective officers and judges who have attained the 75 percent benefit limitation.

The Hawaii State Teachers Association and the ERS Board of Trustees testified in support of this measure.

Act 128, SLH 2002, among other things, created a new formula to calculate an ERS member's AFC. Subsequently, certain membership groups raised concerns that Act 128 negatively impacted the calculation of their retirement benefits. Your Committee finds that this bill is necessary to correct this unintended consequence.

Your Committee notes that the ERS Board of Trustees stated that they preferred H.B. No. 553, H.D. 2, the companion to this measure, because it repeals the provision requiring the salary of the ERS Administrator to be within the range established for deputy directors. The ERS Board of Trustees also suggested several technical amendments.

Accordingly, your Committee has amended this bill by incorporating the recommendations of the ERS Board of Trustees. Specifically, your Committee has amended this bill by:

- (1) Allowing the ERS Board of Trustees to set the salary range of the ERS Administrator;
- (2) Clarifying payments relating to the beneficiaries of deceased retirees; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity, style, and conformity.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1309, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1309, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 882 Labor and Public Employment on S.B. No. 1312

The purpose of this bill is to assist the Employees' Retirement System (ERS) in the processing of payments, and ultimately assist retirees by:

- (1) Requiring the ERS to pay interest on the retroactive amount due retirees whose pensions are not finalized within six calendar months following the month of retirement; and
- (2) Authorizing the ERS to assess an employing agency a late fee for each month of delay in reporting unused sick leave balances, lump sum vacation payments, and other pertinent information (e.g., breakdown of retroactive payments) needed to finalize a retiree's pension.

The Hawaii State Teachers Association testified in support of this measure. Although the ERS Board of Trustees testified in opposition, it indicated that it would support the bill if the bill were amended to include an appropriation, or, if an appropriation could not be included in this bill, that the effective date of the bill be extended to allow the ERS time to develop internal procedures to perform the functions prescribed by this measure.

Your Committee has learned that certain employees who retired in 1999 are still waiting for their pension paperwork to be processed. This bill would address the delays in processing retirement benefits and compensate retirees for unreasonable delays in finalizing their pensions.

Your Committee notes that H.B. No. 1159, H.D. 1, crossed over to the Senate this session. H.B. No. 1159, H.D. 1, contains substantially the same provisions as this bill, except that it also appropriates funds to modify ERS' computer system.

Upon careful consideration, your Committee has amended this bill to incorporate the substance of H.B. No. 1159, H.D. 1. Specifically, this bill has been amended to:

- (1) Require, instead of allow, the ERS to assess the employing agency a late fee for each month of delay in reporting pertinent information needed to finalize a retiree's pension;
- (2) Appropriate funds to modify ERS' computer system. The sum of \$1 was inserted to facilitate further discussion; and
- (3) Make 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 S.B. No. 1312, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1312, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 883 Labor and Public Employment on S.B. No. 1373

The purpose of this bill is to provide a statutory basis for civil service-exempt positions within the Department of Labor and Industrial Relations (DLIR) to implement federally funded employment or training programs.

DLIR and the Hawaii Government Employees Association testified in support of this measure.

Your Committee finds that chapter 394A, Hawaii Revised Statutes (HRS), was enacted in 1983 to provide staffing for the Hawaii Job Training Coordinating Council and to implement the federal Job Training Partnership Act (JTPA).

Subsequently, Act 346, Session Laws of Hawaii 1997, consolidated the Tourism Training Council, the Job Training Coordinating Council, and the Job Service Employers Committee into the Workforce Development Council. Act 346 inadvertently repealed section 394A-2, HRS, which provided 10 civil service-exempt positions within DLIR to implement JTPA. Of these 10 positions, six are currently being retained by DLIR through a contract for service that is set to expire on June 30, 2003.

Your Committee finds that this measure is necessary to statutorily restore these exempt positions to enable DLIR to execute its duties as the recipient of federal employment and training funds for the State. The State receives approximately \$20,000,000 per year in federal Workforce Investment Act funds for job training. The failure to retain these exempt positions would jeopardize the ability of the State to receive federal funding in the future.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1373, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 884 Transportation on S.B. No. 562

The purpose of this bill is to clarify that motor vehicle fleet leasing contracts that contain Terminable Rental Adjustment Clause (TRAC) provisions are true leases which do not establish a sale of the vehicle or create a security interest in the vehicle.

The Hawaii Bankers Association testified in support of this measure.

TRAC vehicle leases involve the leasing of commercial fleets of motor vehicles by one business to another. Uncertainties currently exist when it comes to recognizing the true lease status of TRAC vehicle leases. Your Committee notes that this measure attempts to clarify that TRAC vehicle leases are not sales or security interests, but true leases.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 562, and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

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

SCRep. 885 Transportation on S.B. No. 345

The purpose of this bill is to require any person who sells more than three motor vehicles in a calendar year to be licensed as a dealer by the Motor Vehicle Industry Licensing Board (Board).

The Board, Hawaii Insurers Council, Hawaii Independent Auto Dealers Association, and a concerned individual testified in support of this bill.

Your Committee finds that this measure will help protect consumers by limiting the number of cars per calendar year that a private individual may sell without being a licensed dealer. This measure will aid in the prevention of illegal activity such as the reselling of stolen cars, auto fraud, and other illegal activity. Suspicious activity has been detected in Hawaii, such as the same individual listing numerous cars for sale per year, but currently, nothing can be done to follow up on such activity because there is no limit as to the number of cars an individual can sell.

Your Committee has amended this bill by increasing, from three to five, the number of cars that an individual who is not licensed is permitted to sell.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 345, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 345, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

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

SCRep. 886 Transportation on S.B. No. 464

The purpose of this bill is to address traffic congestion and other transportation-related problems on Oahu by:

- (1) Requiring the Department of Transportation (DOT), in conjunction with both the Oahu Metropolitan Planning Organization (OMPO), and the City and County of Honolulu Department of Transportation Services (DTS), to develop an action plan for the implementation of a fixed rail transit system or monorail on Oahu; and
- (2) DOT to begin acquiring the land for the project once the site has been selected.

A concerned individual testified in support of this measure. DOT, DTS, and OMPO offered comments. Life of the Land opposed this bill.

Your Committee has amended this bill by deleting its substance and inserting the substance of H.B. No. 1075, H.D. 1, which was reported out earlier by your Committee and crossed over to the Senate. As amended, this bill:

- (1) Deletes references to a monorail system;
- (2) Deletes the requirement that DOT initiate proceedings, through the State's eminent domain powers or direct negotiation, to acquire the land needed to implement the system following the selection of the site;
- (3) Broadens the scope of participation to the City and County of Honolulu, instead of just its Department of Transportation Services;
- (4) Changes the effective date from July 1, 2025, to upon its approval; and
- (5) Makes technical, nonsubstantive amendments for the purpose of 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 S.B. No. 464, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 464, S.D. 2, H.D. 1, and be referred to the Committee on Water, Land Use, and Hawaiian Affairs.

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

SCRep. 887 Tourism and Culture on H.R. No. 24

The purpose of this resolution is to:

- (1) Acknowledge hula as an essential instrument to preserve, and a vital part of, the history and cultural traditions of Hawaii; and
- (2) Recognize the time period from April 1, 2003, to March 31, 2004, as the "Year of the Hula."

The Office of Hawaiian Affairs and a concerned citizen supported this measure.

As affirmed by the record of votes of the members of your Committee on Tourism and Culture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 24 and recommends its adoption.

Signed by all members of the Committee except Representatives Herkes, Schatz and Tamayo.

SCRep. 888 Tourism and Culture on H.C.R. No. 36

The purpose of this concurrent resolution is to:

- (1) Acknowledge hula as an essential instrument to preserve, and a vital part of, the history and cultural traditions of Hawaii; and
- (2) Recognize the time period from April 1, 2003, to March 31, 2004, as the "Year of the Hula."

The Office of Hawaiian Affairs and a concerned citizen supported this measure.

As affirmed by the record of votes of the members of your Committee on Tourism and Culture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 36 and recommends its adoption.

Signed by all members of the Committee except Representatives Herkes, Schatz and Tamayo.

SCRep. 889 Transportation on S.B. No. 1172

The purpose of this bill, as received by your Committee, is to provide a tax credit for landing fees incurred by commercial airlines with a domicile based in Hawaii.

UAL Council 005 Air Line Pilots Association and several concerned pilots testified in support of this measure. The Airlines Committee of Hawaii and Hawaiian Airlines testified in support of the intent of this bill. The Department of Taxation testified in opposition to this bill. The Tax Foundation of Hawaii commented on this measure.

The events of September 11, 2001, had a devastating impact upon the airline industry due to decreased demands for air travel. While there have been some improvements in the number of passengers flying since that time, many airlines still find themselves facing unprecedented financial challenges arising from international events, as well as the local and national economic climate. Some airlines have even resorted to filing for bankruptcy in order to remain operational.

One means by which airlines have been able to save money, especially with regard to their Hawaii operations, is through the closure of Honolulu-based domiciles for their flight attendants and pilots since high costs are associated with maintaining such an operation. This has been seen as a money-saving alternative to decreasing large numbers of flights to Hawaii.

Your Committee notes that providing an income tax credit to commercial airlines will encourage Honolulu-based fleets to remain in Hawaii and encourage other airlines to start up Honolulu-based fleets, which will in turn bolster the State's economy. Your Committee further notes that the airline industry is a critical pillar of the State's economy and its demise will affect every facet of the State's economy. Thus, every effort to ensure the sustainability and promote the growth of Hawaii's air transportation industry should be made.

Moreover, global events, the uncertainty of armed conflict with Iraq, and preparations for war have had and will continue to have an adverse effect on an already economically weakened airline industry. Presumably, Hawaii's fragile economy will be derailed should our nation go to war with Iraq.

Air industry experts informed your Special Committee on War Preparedness that airlines would save an estimated \$6,400,000 per month through the waiving of airline landing fees, joint use charge fees, and exclusive use terminal rental fees, which would, in all likelihood, lead to the promotion of flights to Hawaii. Your Special Committee on War Preparedness has provided this information to Your Committee on Transportation, which concurs that the waiving of these fees will assist the struggling airline industry and will result in increased flights to Hawaii. Nevertheless, both your Committee on Transportation and your Special Committee on War Preparedness feel that to be eligible for the benefit of having airline landing fees, joint use charge fees, and exclusive use terminal rental fees waived, air carriers should be required to maintain an in-bound passenger load of not less than 90 percent of their in-bound passenger load for the month of January, 2003.

Accordingly, your Committee has amended this measure by:

- (1) Removing requirements that the principal operator of a commercial airline have a domicile based in Hawaii and be a resident taxpayer to qualify for the airport landing fee tax credit since this may violate the commerce clause and equal protection clause of the United States Constitution;
- (2) Inserting language that:
 - (a) Authorizes the Director of Transportation to waive airport landing fees, joint use charge fees, and exclusive use terminal rental fees payable by qualifying air carriers for a 30-day period;
 - (b) Authorizes the Director of Transportation to defer payment of airport landing fees, joint use charge fees, and exclusive use terminal rental fees payable by qualifying air carriers for two subsequent 30-day periods; and
 - (c) Requires that, to qualify for the waiver of these fees, an air carrier must maintain an in-bound passenger load for the applicable 30-day waiver or deferral period equal to 90 percent of the air carrier's in-bound passenger load for the month of January 2003;

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 Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1172, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1172, S.D. 2, H.D. 1, and be referred to the Committee on Economic Development and Business Concerns.

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

SCRep. 890 Higher Education on S.B. No. 1410

The purpose of this bill is to appropriate funds out of the University of Hawaii (UH) Tuition and Fees Special Fund to satisfy claims against UH.

UH submitted testimony in support of this bill.

Your Committee finds that this bill is necessary to pay for judgments against UH and settlements of claims.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1410, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Arakaki, Hale, Kahikina, Takumi and Ching.

SCRep. 891 Higher Education on S.B. No. 1411

The purpose of this bill is to establish the University of Hawaii (UH) Risk Management Special Fund to fund UH's risk management program.

UH submitted testimony in support of this bill.

Your Committee finds that this bill will further develop the autonomy provided to UH under the Constitution. This bill will provide the statutory authority for UH to establish a fully functional risk management program and pay for insurance, settlements, and judgments against the university without an annual legislative authorization.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1411, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Arakaki, Hale, Kahikina, Takumi and Ching.

SCRep. 892 Higher Education on S.B. No. 62

The purpose of this bill is to:

- (1) Allow current and future University of Hawaii (UH) faculty members, lecturers, and administrative, professional, and technical employees to qualify for membership in the Employees' Retirement System (ERS) on the basis of aggregated multiple part-time appointments or positions; and
- (2) Allow past and current UH faculty members, lecturers, and administrative, professional, and technical employees who held multiple part-time appointments or positions prior to the effective date of the bill and who were reported to the ERS by UH to be eligible for the system on the basis of aggregated multiple part-time appointments or positions to retain membership benefits if the employee fails to meet system membership eligibility requirements without the aggregation of multiple part-time appointments or positions.

The UH Professional Assembly and Hawaii Government Employees Association submitted testimony in support of this bill. UH submitted testimony in support of this bill with proposed amendments. ERS submitted testimony in support of the intent of this bill.

Your Committee finds that it is common for UH employees to serve in multiple part-time appointments or positions. This bill will ensure that these valuable employees continue to receive retirement benefits.

Your Committee has amended this bill by:

- (1) Enabling UH to establish an optional employee retirement plan; 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 Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 62, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 62, S.D. 1, H.D. 1, and be referred to the Committee on Labor and Public Employment.

Signed by all members of the Committee except Representatives Arakaki, Hale, Kahikina, Takumi and Ching.

SCRep. 893 Tourism and Culture on S.B. No. 1460

The purpose of this bill is to require the Hawaii Tourism Authority (HTA) to include certain contract provisions that protect state interests and ensure responsible use of funds for contracts that exceed \$3,000,000 in value or are complex.

In addition this bill:

- (1) Allows HTA to suspend the contract provisions provided for in this bill if the inclusion of such provisions prevents agreement on a contract for a legitimate reason; and
- (2) Requires HTA to provide, in the HTA's annual report, details regarding contracts entered into that uses public funds.

HTA supported this bill.

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

- (1) Raising, from \$3,000,000 to \$6,000,000, the threshold above which the required contract provisions contained in this bill shall apply;
- (2) Requiring that any intellectual property arising from HTA's works for hire contracts become the property of the State; 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 Tourism and Culture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1460, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1460, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Abinsay, Herkes, Schatz, Tamayo and Ontai.

SCRep. 894 Tourism and Culture on S.B. No. 1462

The purpose of this bill is to promote the development of sports-related tourism in Hawaii by requiring the Board of Directors (Board) of the Hawaii Tourism Authority (HTA) to appoint a Sports Coordinator to provide management services for all sporting events supported through HTA. In addition, this bill appropriates funds for the establishment of one full-time equivalent Sports Coordinator position within HTA.

HTA supported the intent of this bill.

Your Committee has amended this measure by:

- (1) Authorizing, rather than requiring, the Board of HTA to appoint a Sports Coordinator;
- (2) Deleting the appropriation for the establishment of the Sports Coordinator position;
- (3) Clarifying that the designated representative on the Board of HTA for the Director of Business, Economic Development, and Tourism, the Director of Transportation, and the Chairperson of the Board of Land and Natural Resources shall be an employee of these respective departments;
- (4) Increasing from 3.5 percent to 5 percent the maximum amount of moneys in the Tourism Special Fund (TSF) that shall be used to meet administrative expenses;
- (5) Requiring that the compensation package for the Executive Director of HTA shall not exceed 9 percent of the 5 percent of TSF monies authorized for administrative expenses under this bill; currently, the compensation package cannot exceed 15 percent of the 3.5 percent of TSF moneys authorized for administrative expenses;
- (6) Exempting HTA from the provisions of chapter 38, Hawaii Revised Statutes (HRS), relating to deposits of public funds, and chapter 40, HRS, relating to audits and accounting;
- (7) Clarifying that notification to the Legislature of any contract or agreement valued at \$25,000 and over shall take place upon the execution of that contract or agreement;
- (8) Requiring HTA to deposit funds in the Convention Center Enterprise Special Fund (CCESF) into interest-bearing accounts in any depository within the State, and specifying that all interest accruing from the investment of these moneys shall be credited to the CCESF;
- (9) Establishing that disbursements from the CCESF and TSF shall be drawn upon checks prepared and signed as approved by the Executive Director of HTA or the designee of the Executive Director authorized by the Board of HTA, and a member of the Board of HTA authorized by the Board of HTA;
- (10) Depositing all interest and any revenues or receipts derived by HTA from any project or project agreement into the TSF;
- (11) Requiring that funds in the TSF shall be deposited into interest-bearing accounts or otherwise invested by HTA until such time as the funds may be needed;
- (12) Requiring HTA to engage the services of a certified public accountant to conduct an annual audit of HTA's financial affairs, and to submit the audit report to the Governor and Legislature prior to each Regular Session;
- (13) Providing for a sunset date of June 30, 2006, for amendments contained in this bill, with the exception of the audit report provisions under (12); and
- (14) Making technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee recognizes the importance of financial accountability on the part of HTA. In addition to the provisions for financial audits conducted in accordance with generally accepted accounting principles (GAAP) required by this measure, your Committee believes that HTA itself should make every effort to comply with GAAP for its own accounting processes.

As affirmed by the record of votes of the members of your Committee on Tourism and Culture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1462, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1462, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Schatz and Tamayo.

SCRep. 895 Energy and Environmental Protection on S.B. No. 713

The purpose of this bill is to expand the definition of "pollution control project" in chapter 48E, Hawaii Revised Statutes, to include the closure of landfills so that such closures will qualify for special purpose revenue bond funding.

The County of Hawaii, Department of Environmental Management submitted testimony in support of this measure.

Your Committee finds that landfill closures are expensive projects that all counties will soon be forced to undertake. This measure will assist the counties in financing these necessary projects.

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

Signed by all members of the Committee.

SCRep. 896 Energy and Environmental Protection on S.B. No. 1290

The purpose of this bill is to encourage state purchasing agencies to procure locally-produced recycled products whenever feasible by:

- (1) Broadening the scope of the recycled-material preference to include nonpaper office products, vehicular and transportation products, parks and recreation products, and construction products; and
- (2) Allowing the existing procurement preference for in-state contractors to be used in conjunction with the recycled content products preference and the Hawaii products preference.

The Department of Business, Economic Development, and Tourism supported this measure with amendments.

Your Committee finds that the use of recycled products made in Hawaii will divert recyclable materials from our limited landfills. Your Committee also finds that this measure will help the State's economy by increasing the demand for recycled products in Hawaii.

Your Committee has amended this measure by:

- (1) Correcting the Executive Order number and date upon which the Executive Order was signed;
- (2) Removing the requirement that the recycled product preference would only apply to product suppliers incorporated under the laws of Hawaii; and
- (3) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1290, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1290, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 897 Energy and Environmental Protection on S.B. No. 1593

The purpose of this bill is to promote fair treatment of groups affected by environmental laws by:

- (1) Requiring state and county agencies that control the siting and disposing of hazardous materials, store toxins or release pollutants at their facilities, or issue permits for these activities, to provide fair treatment to native Hawaiian and low-income populations;
- (2) Requiring State and county agencies to address environmental justice concerns; and
- (3) Establishing two committees to provide guidance, research, and conduct inquiries on environmental justice issues.

Environmental justice means the fair treatment and meaningful involvement of all people, regardless of race, color, national origin, or income, with respect to the development, implementation, and enforcement of environmental laws, rules, and policies.

The Attorney General opposed this measure.

Your Committee believes that everyone in Hawaii should enjoy the same protection from environmental and health hazards and equal access to the decision-making process in matters that affect their health and environment. Your Committee further believes that this objective would be served by requiring the disclosure and proposed mitigation of environmental justice impacts in all environmental impact statements for proposed action in the State.

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

- (1) Deleting its substance and inserting the substance of H.B. No. 470, H.D.1, which requires the disclosure and proposed mitigation of environmental justice impacts in all environmental impact statements for proposed action in the State;
- (2) Creating an environmental justice working group to develop guidelines for implementing environmental justice; and
- (3) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1593, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1593, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 898 Energy and Environmental Protection on S.B. No. 1517

The purpose of this bill is to provide a stable funding mechanism for the natural area reserve system and to protect the State from invasive species by:

- (1) Increasing the conveyance tax from 10 cents per \$100 to 20 cents per \$100 of the actual and full consideration on transfers or conveyances of realty valued at \$600,000 or greater;
- (2) Increasing the allocation of the taxes paid into the Rental Housing Trust Fund and the Natural Area Reserve Fund from 25 percent to 35 percent;
- (3) Requiring that the Department of Land and Natural Resources (DLNR) to consult jointly with the Forest Stewardship Committee and the Natural Reserves System Commission before disbursing funds to the Natural Area Partnership and Forest Stewardship Programs; and
- (4) Requiring the Natural Area Reserve Fund to be used for the management of natural area reserves and an early detection and rapid response program for invasive species.

The Nature Conservancy of Hawaii, Kahea: The Hawaiian-Environmental Alliance, Hawaiian Botanical Society, 'Ahahui Malama I Ka Lokahi, Conservation Council for Hawaii, The Hawaii People's Fund, Hawaii Audubon Society, Ko'olau Mountains Watershed Partnership, Na Koa Ikaika, Kulamanu Farm, Na Leo Pohai, Hawaii's Thousand Friends, Sierra Club, Hawaii Chapter, Illio Ulaokalani Coalition, Oahu Invasive Species Committee, and numerous individuals testified in support of this measure.

The Land Use Research Foundation of Hawaii supported the intent of this measure.

The Department of Taxation and the Hawaii Association of Realtors opposed this measure.

DLNR and the Tax Foundation of Hawaii commented on this measure.

Because of limited general funds, your Committee finds that increasing the conveyance tax is the only logical solution to ensure that the Natural Area Reserve System is protected and programs such as the Natural Area Partnership Program, the Forest Stewardship Program, and the Watershed Partnerships are continued. Your Committee also believes that this measure will provide necessary funds to protect our environment from invasive species.

Your Committee has amended this bill by:

- (1) Changing the basis of the conveyance tax rate to the actual and full consideration paid for all transfers or conveyances of realty of \$600,000 or greater;
- (2) Changing the effective date to September 1, 2003; and
- (3) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1517, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1517, S.D. 2, H.D. 1, and be referred to the Committee on Economic Development and Business Concerns.

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

SCRep. 899 Energy and Environmental Protection on S.B. No. 319

The purpose of this bill is to reduce waste and conserve our landfill space by:

- (1) Requiring counties with a population of 500,000 or more to establish a program for recycling food waste;
- (2) Authorizing counties to assess a food waste recycling surcharge; and
- (3) Appropriating an unspecified amount of money for the initial staffing and establishment of the program.

Eco Feed, Inc., and several individuals testified in support of this measure. The Department of Education supported the intent of this measure.

The Department of Health, Department of Environmental Services of the City and County of Honolulu, and the Hawaii Food Industry Association opposed this measure.

Your Committee finds that our current recycling efforts only reduce a fraction of the solid and liquid waste generated. Your Committee, therefore, believes that requiring the county's to participate in a recycling food waste program would have a significant impact on reducing waste. Your Committee also finds that including a food waste recycling program component as part of each county's integrated solid waste management plan is a reasonable solution for everyone.

Your Committee has amended this bill by adding the contents of H.B. No. 2723, H.D. 2 (2002), that requires counties to include a food waste recycling program component as part of each county's integrated solid waste management plans. H.B. No. 2723, H.D. 2 (2002), also requires the counties to identify and assess the following as part of their food waste recycling component:

- (1) Levels of waste reduction the county is achieving through existing food waste recycling and bioconversion efforts;

- (2) The type and amount of food waste that may be recycled or altered through bioconversion; and
- (3) Methods to increase and improve food waste recycling and bioconversion efforts.

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

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 319, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 319, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.
(Representatives Bukoski and Thielen voted no.)

SCRep. 900 Health on S.B. No. 792

The purpose of this bill is to prohibit malpractice insurers from imposing a surcharge or discriminating against a physician or surgeon who enters into a professional collaboration with an advanced practice registered nurse (APRN).

The Hawaii Medical Association and Hawaii Nurses' Association testified in support of this measure. The Department of Commerce and Consumer Affairs and Hawaii Association for Physicians Indemnity provided comments.

Your Committee finds that physicians who collaborate or enter into collegial agreements with APRNs have had to pay surcharges or had their malpractice insurance coverage cancelled. As a result, APRNs have had difficulty finding physicians willing to enter into collegial agreements, thereby hindering the ability of APRNs to adequately provide services within the community.

Your Committee has amended this bill by changing the effective date to July 1, 2020, to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 792, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 792, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Nishimoto, Takai and Stonebraker.

SCRep. 901 Transportation on S.B. No. 1408

The purpose of this bill is to:

- (1) Require the Department of Transportation (DOT) to prepare a new statewide transportation plan (transportation plan); and
- (2) Establish a statewide Transportation Advisory Committee to assist DOT in preparing the transportation plan.

DOT, the Department of Public Works of the County of Hawaii, Oahu Metropolitan Planning Organization, and an individual submitted testimony in support of this bill.

Your Committee finds that this bill will update the current statutory provisions regarding state transportation planning by creating a process that better reflects current needs and practices. The development of a new transportation plan will ensure that the needs of the public will be better served and state funds expended more efficiently.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2010, to facilitate further discussion; and
- (2) Making technical, nonsubstantive changes for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1408, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1408, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 902 Water, Land Use, and Hawaiian Affairs/Energy and Environmental Protection on S.B. No. 1080

The purpose of this bill is to protect the State's environment and cultural resources by ensuring that allowable waivers or reductions of penalties for small businesses will not apply to any laws protecting the environment or cultural resources.

The Sierra Club, Hawaii Chapter, testified in support of this measure. The Department of Land and Natural Resources submitted testimony in support of the intent of this bill.

Your Committees find that the fragile and sometime irreparable nature of Hawaii's environment and cultural resources must be protected by the deterrent effects of penalties and fines on those who would violate the laws protecting those resources, including small businesses.

Your Committees have amended this measure by:

- (1) Clarifying that the enumerated exceptions to the waivers and reductions in penalties and fines provisions are disjunctive, rather than conjunctive; and
- (2) Clarifying that this measure does not affect rights and duties that were matured, penalties that were incurred, and proceedings that were begun before its enactment and effective date.

As affirmed by the records of votes of the members of your Committees on Water, Land Use, and Hawaiian Affairs and Energy and Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1080, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1080, S.D. 1, H.D. 1, and be referred to the Committee on Tourism and Culture.

Signed by all members of the Committee except Representatives Kanoho, Kaho'ohalahala and Waters.

SCRep. 903 Water, Land Use, and Hawaiian Affairs/Energy and Environmental Protection on S.B. No. 843

The purpose of this bill is to address the survival and protection of the State's endangered and threatened flora and fauna by:

- (1) Bringing state law closer into conformity with federal regulations relating to habitat conservation plans (HCPs) and safe harbor agreements (SHAs); and
- (2) Providing a system of checks and balances to the HCP and SHA process to ensure that the incentives actually promote the conservation of threatened and endangered species and prevent the intentional or unintentional actions of landowners, public or private, from either pushing species to extinction or preventing their recovery.

The Department of Land and Natural Resources, Department of Transportation, Hawaii Audubon Society, EarthJustice, Sierra Club, Hawaii Chapter, The Nature Conservancy of Hawaii, Environmental Defense, and Conservation Council for Hawaii submitted comments on this bill. The Hawaii Forest Industry Association, Life of the Land, and Hawaii Reserves, Inc., submitted testimony in opposition to this measure.

Inasmuch as this bill authorizes HCPs and SHAs for public lands and the suspension or revocation of the HCP or SHA if the permitted activity appreciably reduces the likelihood of survival or recovery of any threatened or endangered species, your Committees find that citizen suits and greater-than-majority votes of the Legislature to override a disapproval recommendation of an HCP or SHA by the Endangered Species Recovery Committee (ESRC) are vital components in the system of checks and balances in the HCP and SHA process.

After careful consideration, your Committees have amended this measure by:

- (1) Authorizing any person, acting as a private attorney general, to commence a civil suit against the government for violating or failing to perform acts or duties under the laws of chapter 195D, relating to conservation of aquatic life, wildlife, and land plants;
- (2) Requiring a two-thirds majority vote of both houses of the Legislature for the Board of Land and Natural Resources (Board) to enter into a HCP or SHA, if the ESRC recommended disapproval to the Board;
- (3) Clarifying that the consent of the land owner, in the case of government-owned land, is the consent of the government department or agency that is assigned to manage or control the particular land; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity, style, and conformity.

As affirmed by the records of votes of the members of your Committees on Water, Land Use, and Hawaiian Affairs and Energy and Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 843, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 843, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Kanoho, Kaho'ohalahala and Waters.

SCRep. 904 Public Safety and Military Affairs/Labor and Public Employment on S.B. No. 1393

The purpose of this bill is to enable the State to more effectively manage the functions relating to prisons and law enforcement that are currently under the jurisdiction of the Department of Public Safety (DPS). This bill:

- (1) Creates a new Department of Law Enforcement (DLE) that would be responsible for security, law enforcement, and public safety programs and functions for the State, including its buildings;
- (2) Transfers several functions to DLE including:
 - (a) The Sheriff's Office and Judiciary security personnel;
 - (b) The officers and investigators with the Narcotics Enforcement Division;
 - (c) The contractual security guard services and the services relating to the executive security officers; and
 - (d) The security for National Guard and State civil defense facilities in the Diamond Head complex;
 and
- (3) Converts DPS to a new Department of Corrections. The Hawaii Paroling Authority and the Crime Victim Compensation Commission would be placed within this new department.

The Department of Human Resources Development, Office of the Lieutenant Governor, and the City and County of Honolulu Police Department testified in support of this bill. DPS supported the intent of this measure, and the City and County of Honolulu Department of the Prosecuting Attorney supported the concept of this bill.

Your Committees believe that it is essential for the new DLE to adopt national security standards, such as those of the National Sheriffs' Association, to ensure that its employees fulfill the highest requirements of their profession through proper training and certification.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Labor and Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1393, S.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 905 Consumer Protection and Commerce on S.B. No. 1319

The purpose of this bill is to update the laws governing limited partnerships in Hawaii by replacing the current Uniform Limited Partnership Act with a modified version of the National Conference of Commissioners on Uniform State Law's 2001 Revised Uniform Limited Partnership Act (2001 ULPA).

The Department of Commerce and Consumer Affairs (DCCA) and a few individuals submitted testimony in support of this measure.

Your Committee applauds DCCA's ongoing efforts to enhance the business climate of our State. The 2001 ULPA represents the latest effort of the Uniform Law Commissioners to modernize and improve our country's uniform business laws. Among these changes are provisions that would allow the creation of limited liability limited partnerships, or "LLLPs," a new business entity formation that will provide additional flexibility for limited partnerships in Hawaii.

Your Committee believes that this improved version will make Hawaii a more attractive place to do business, as well as provide greater certainty in the law.

Your Committee has amended this measure by making technical amendments for purposes of clarity and consistency. Amendments to conform related provisions of the Hawaii Revised Statutes to the 2001 ULPA were also made.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1319, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1319, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Herkes, Ito, Kanoho, M. Oshiro and Souki.

SCRep. 906 Labor and Public Employment on S.B. No. 363

The purpose of this bill is to authorize any county board of water supply serving a population of 500,000 or more persons to establish experimental modernization projects (Projects) to determine whether specific changes in their human resource programs are desirable.

The Board of Water Supply of the City and County of Honolulu (BWS) testified in support of this measure. The Department of Human Resources Development, United Public Workers, and Hawaii Government Employees Association testified in support of the intent of this measure. The Department of Human Resources of the City and County of Honolulu testified in opposition to this measure.

Your Committee finds that, since 1999, BWS has embarked on a highly successful program to transform their agency into a competitive, world-class provider of water utility services. These changes have been part of a program designed by BWS in cooperation and with the support of the unions. Your Committee further finds that the combined efforts of BWS and the unions have resulted in improvements, including cost savings and progress in the areas of technology and employee training. Your Committee has determined that this bill is needed to further the efforts of BWS and other qualifying boards of water supply (Water Boards), and allow them to implement new human resource systems designed to improve the quality of customer services and to better employees' working environments.

The bill, as received by your Committee, amends section 78-3.5, Hawaii Revised Statutes (HRS), the general law that authorizes counties to conduct Projects, by specifically authorizing any Water Board serving a population of 500,000 or more people to establish a Project.

Your Committee has amended this measure by:

- (1) Inserting the substance of this bill into a new section of HRS specifically dedicated to the authorization of qualifying Water Boards to conduct Projects;
- (2) Replacing the requirement that the director of a Water Board (Board Director) consult with employees involved in the Project, with the requirement that the Board Director consult with the exclusive collective bargaining representative;
- (3) Requiring the Project to comply with chapter 89, HRS, relating to collective bargaining in public employment; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 363, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 363, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 907 Labor and Public Employment on S.B. No. 830

The purpose of this bill, as received by your Committee, is to improve the process of criminal history record checks by:

- (1) Implementing the recommendations of the Criminal History Record Check Working Group (Working Group), established pursuant to Act 263, Session Laws of Hawaii 2001, to address disparate practices, inconsistencies, and duplicative language in the statutes authorizing criminal history record checks for employment background checks, certifications, and licensing of individuals;
- (2) Clarifying that individuals who are civil service employees or probationary employees covered by chapter 89, Hawaii Revised Statutes (HRS), who move to other positions within the state government system are not

subject to criminal history record checks unless an agreement to the contrary is reached in collective bargaining; and

- (3) Clarifying that the ten-year limitation on researching criminal convictions for employment disqualification does not apply to entities statutorily authorized to inquire into an individual's criminal history background.

The Department of Labor and Industrial Relations, Department of Human Services (DHS), Hawaii Civil Rights Commission, Chamber of Commerce of Hawaii, and Hawaii Bankers Association testified in support of this measure. The Department of the Attorney General, Department of Human Resources Development, Hawaii Health Systems Corporation, Department of Public Safety, Department of Health, Department of Education, and Hawaii Association of Independent Schools testified in support of the intent of this measure.

Current laws relating to criminal history record checks are often confusing, inconsistent, duplicative, and at times conflicting. The issue is further complicated by questions as to what exactly a criminal history record check consists of, what records are available to the public or employers, and how these records may be used.

An attempt to solve these problems was made in 2001 with the establishment of the Working Group. The Working Group was charged with the task of resolving policy issues relating to criminal history record checks and making recommendations to the Legislature, many of which are contained in this measure.

Your Committee finds, however, that additional language affecting areas of collective bargaining, civil service reform, and the public employee and employer relationship was not a topic of discussion of the Working Group, and that the references to recruitment, examination, and probationary employees, abridge policies spelled out in the Civil Service Reform Act. Your Committee finds that it was never the intention of the Working Group to deal with these issues.

Accordingly, your Committee has amended this measure by deleting its contents and inserting the substance of H.B. No. 641, H.D. 3. As amended, this bill is strictly limited to resolving disparate practices, inconsistencies, and duplicative language relating to the conduct of criminal history record checks for employment, certification, and licensing of individuals as recommended by the Working Group.

Your Committee has made further amendments to this measure by:

- (1) Requiring instead of permitting DHS to conduct annual name inquiries into the state criminal history record files for all staff members and new staff members of the Hawaii Youth Correctional Facility;
- (2) Including the board of directors of an association of apartment owners or cooperative housing project, or the manager of a condominium or a cooperative housing project, as employers who are expressly permitted to inquire into an individual's criminal history for employment purposes who are not subject to conditional job offer and ten-year limitation requirements;
- (3) Clarifying the definition of "applicant;"
- (4) Clarifying that the Judiciary may terminate an employee or applicant convicted of a crime;
- (5) Restoring language limiting the Judiciary's ability to terminate an employee or deny employment to an applicant to instances where the Judiciary finds that the criminal history record indicates that the employee or applicant poses a risk to the health, safety, security, or well-being of youths under detention;
- (6) Clarifying that denials of employment as a staff member of a youth correctional facility or other position that requires the exercise of police powers, including the power to arrest in the performance of duties pursuant to chapter 353, HRS, shall be allowed based solely on a prior criminal conviction; and
- (7) 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 Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 830, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 830, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 908 Water, Land Use, and Hawaiian Affairs on S.B. No. 1155

The purpose of this bill is to allow certain trustees of the Office of Hawaiian Affairs (OHA) to make a lump sum contribution payment to the Employees Retirement System (ERS) to acquire credit for prior service.

OHA submitted testimony in support of this bill. ERS submitted testimony in opposition to this bill.

Your Committee finds that this bill will rectify an oversight in legislation from 2002 that intended to extend the same retirement benefits to OHA trustees that are afforded to other elected salaried officials. Certain OHA trustees are unable, under current law, to pay for past service credit through a lump sum contribution. This bill will remedy this problem and ensure consistency in the retirement benefits extended to OHA trustees.

Your Committee further notes that this bill is not intended to set a precedent for other contributory ERS members, and should be construed only to rectify the inconsistency in previous legislation. Your Committee also finds that the purposes of this bill might be better effected through temporary language rather than through codification into statute. Accordingly, the Committee on Judiciary is respectfully urged to coordinate with the Attorney General's office to draft language allowing the provisions of this bill to be effective only for a certain period of time sufficient to allow affected OHA trustees to make the necessary contributions to ERS.

As affirmed by the record of votes of the members of your Committee on Water, Land Use, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1155, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Labor and Public Employment.

Signed by all members of the Committee except Representative Kaho'ohalahala.

SCRep. 909 Water, Land Use, and Hawaiian Affairs on S.B. No. 1416

The purpose of this bill is to amend the legislative disapproval process for land exchanges by changing the sequence of the approval process.

The Department of Land and Natural Resources (DLNR) testified in support of this bill.

Your Committee finds that by having the legislative disapproval process take place after the Board of Land and Natural Resources' preliminary approval of the land exchange and completion of the appraisals, but before the final execution of the exchange deeds, the ability of DLNR to manage its real estate assets will be greatly enhanced. Moreover, this improvement in the disapproval process for land exchanges may save time, money, and effort in negotiating the execution of a land exchange.

As affirmed by the record of votes of the members of your Committee on Water, Land Use, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1416 and recommends that it pass Second Reading and be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representative Kaho'ohalahala.

SCRep. 910 Water, Land Use, and Hawaiian Affairs on S.B. No. 1156

The purpose of this bill is to require the Office of Hawaiian Affairs (OHA) to establish and maintain a registry of all Hawaiians wherever they may reside.

OHA and a member of the OHA Board of Trustees testified in support of this bill. The Hawaiian Political Action Council of Hawaii opposed this measure.

OHA is responsible for the betterment of Hawaiians, regardless of blood quantum and without regard to where such persons may reside. To accomplish its mission, it is important that OHA identify and locate its beneficiaries. Since March 2002, individuals who can establish their lineal descent from the aboriginal peoples of Hawaii have been placed on OHA's Hawaii Registry and issued an identification card. Accordingly, this bill codifies this existing program.

As affirmed by the record of votes of the members of your Committee on Water, Land Use, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1156 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Kaho'ohalahala.

SCRep. 911 Water, Land Use, and Hawaiian Affairs on S.B. No. 610

The purpose of this bill is to enable individual beneficiaries under the Hawaiian Home Lands Trust to have their breach of trust claims resolved by replacing the expired Hawaiian Home Lands Trust Individual Claims Review Panel (Panel) with a new special master.

The Native Hawaiian Legal Corporation, Office of Hawaiian Affairs, and Davis, Levin, Livingston, and Grande Attorneys testified in support of this bill. The Attorney General testified in opposition to this bill. The Department of Hawaiian Home Lands commented on this measure.

The Panel was established in 1991 to award monetary compensation to native Hawaiians who suffered a breach of trust by the State of Hawaii in its administration of the Hawaiian Home Lands Trust. By the time of the statutory deadline in 1995, 2,752 native Hawaiians filed claims with the Panel. However, the Panel could not complete its work and was dissolved in 1999, after being extended several times. At that time, the Panel recommended awards for 469 claimants and rejected awards for 874 claimants. However, 1,376 claims remain unresolved.

A class action lawsuit was filed by the claimants to preserve their claims and their right to compensation from the State. The claimants were successful in winning the right to sue, but the decision was appealed by the State, and a ruling from the Hawaii Supreme Court is pending.

Your Committee finds that the State needs to complete the work that was begun over ten years ago. The appointment of a special master to complete the evaluation process for the remaining claimants whose claims were not considered by the Panel is a means of resolving this issue.

However, your Committee is mindful of the concerns of the Attorney General that this measure may allow for double recovery by claimants under both the class action lawsuit and any disbursement that may be recommended by the special master. Accordingly, your Committee received assurances from both the Attorney General's Office and the claimants' attorneys that language could be worked out and presented to your Committee on Judiciary.

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

- (1) Clarifying language to ensure that the special master only evaluate the 1,376 remaining claims and not evaluate claims that have already been recommended for an award or rejected; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land Use, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 610, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 610, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Kaho'ohalahala.

SCRep. 912 Water, Land Use, and Hawaiian Affairs on S.B. No. 1560

The purpose of this bill is to protect public health, safety, and welfare by:

- (1) Requiring the owner of an abandoned building or facility to make a reasonable effort to repair the damage and correct the problem;

- (2) Authorizing counties to condemn and demolish abandoned facilities that have not been used for two years, been damaged due to a natural disaster, and are larger than 5,000 square feet; and
- (3) Establishing civil penalties for property owners whose property sits in a damaged and dangerous condition and who fail to make reasonable efforts at remediation.

The County of Kauai, a member of the Kauai County Council, and Kiahuna Plantation Resort & The Beach Bungalows at Kiahuna testified in support of this measure. The Hawaii Hotel Association–Kauai Chapter and Poipu Beach Resort Association testified in support of the intent of this measure.

Many buildings are damaged by acts of nature and at times may sit abandoned or unused for several years. This not only is an eyesore in the community but negatively impacts the health, safety, and welfare of the community. Furthermore, the failure to remove unsightly and dangerous structures impact the tourism industry, the pillar of our State's economy.

Your Committee finds that building owners need to take more responsibility in the restoration or removal of damaged, unsightly, and dangerous structures by removing them in a timely manner. Although this measure attempts to achieve this, your Committee finds that the civil penalties established in this bill do not act as a strong enough deterrent.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the established fine of \$200 per day and authorizing the counties to establish the amount of the civil penalty for failure by a property owner to make reasonable efforts to remediate a dangerous property to an amount not to exceed \$1,000 per day;
- (2) Requiring the county to place a lien on property sitting in a damaged or dangerous condition to secure payment for costs incurred for the condemnation, demolition, or remediation of property sitting in a damaged or dangerous condition; 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 Water, Land Use, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1560, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1560, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Kaho'ohalahala.

SCRep. 913 Water, Land Use, and Hawaiian Affairs on S.B. No. 1477

The purpose of this bill is to provide the counties with a means of obtaining cash benefits in exchange for entering into a lease/leaseback transaction with a private entity involving county wastewater, waste disposal, and water distribution systems.

The County of Maui and Allco Finance Company testified in support of this measure. The County of Hawaii also supported this measure with amendments. The Department of the Attorney General, Department of Health, and Department of Taxation offered comments.

Under this bill, a county may grant a long-term lease in its waterworks, wastewater, sewer, or other waste disposal system to a private entity. The county would then immediately lease the system back under a shorter lease term. Under this arrangement, legal title to the system would remain with the county, and it would retain full responsibility for operating the system. Upon the execution of the long-term lease, the private entity would make a one-time payment to the county representing the fair market value of the system. The county would then deposit the majority of the payment into a defeasance deposit which is a form of a guaranteed investment contract. The defeasance deposit would automatically make all of the leaseback rent payments to the private entity over the entire leaseback period. The county would then determine how to use the remainder of the one-time payment which may comprise three to four percent of the fair market value of the system. The primary incentive for the private entity is that the income from the lease/leaseback transactions would be exempt from state or county taxes.

Your Committee has amended this bill by clarifying that the exemption from taxation excludes the payment of loan fees and charges adopted under chapters 340E (Drinking Water Treatment Revolving Loan Fund) and 342D (Water Pollution Control Revolving Fund), Hawaii Revised Statutes (HRS). Without this amendment, the counties may lose federal funding for not complying with the provisions of the Federal Clean Water Act and the Federal Safe Drinking Water Act.

Other amendments to this bill include:

- (1) Adding county boards, departments, and commissions as part of the definition of "county" or "counties";
- (2) Clarifying that the authority to lease also includes a leaseback option;
- (3) Clarifying that the counties' revenues from assets subject to leases not be inadvertently subject to the public service company tax of chapter 239, HRS; and
- (4) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Water, Land Use, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1477, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1477, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Kaho'ohalahala.

SCRep. 914 Water, Land Use, and Hawaiian Affairs on S.B. No. 1619

The purpose of this bill is to establish a Motor Sports Recreation and Public Safety Training and Educational Facility Investment Tax Credit (Tax Credit) for qualified investments made by a taxpayer in the Motor Sports Recreation and Public Safety Training and Educational Facility (Facility) on parcel 9 at Kalaeloa (Facility).

Hawaii Motorsports Center and four concerned citizens supported this bill. The Hawaii Farm Bureau Federation opposed this measure. The Department of Taxation (DOTAX) and Tax Foundation of Hawaii offered comments.

Your Committee recognizes the value of the Facility in providing an economic stimulus for west Oahu and in promoting public safety by providing a safe venue for car racing. Your Committee notes, however, that additional recordkeeping and certification requirements would improve the administration of this Tax Credit.

Therefore, your Committee has amended this measure by:

- (1) Requiring the Director of DOTAX to prepare any forms necessary to claim the Tax Credit and allowing the Director of DOTAX to require taxpayers to furnish information to ascertain the validity of the claims for the Tax Credit;
- (2) Requiring that qualified taxpayers shall submit a written certified statement identifying certain data relating to the Tax Credit to the Director of the Department of Business, Economic Development, and Tourism (DBEDT), instead of the Director of DOTAX;
- (3) Requiring DBEDT to maintain records of taxpayers, verify all qualified investments, and issue a certificate to each taxpayer certifying:
 - (A) The amount of the qualified investments;
 - (B) The amount of the Tax Credit allowed to each taxpayer for the taxable year; and
 - (C) The tax liability under this chapter and chapter 237 against which the Tax Credit is claimed;
- (4) Requiring the taxpayer to file the certificate with the taxpayer's tax return; and
- (5) Requiring DBEDT to certify the limit on the amount of the Tax Credit established in this bill.

In addition, your Committee has further amended this bill by:

- (1) Establishing that this bill, upon its approval, shall apply to qualified investments incurred after December 31, 2005, to promote 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 Water, Land Use, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1619, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1619, S.D. 2, H.D. 1, and be referred to the Committee on Public Safety and Military Affairs and Tourism and Culture.

Signed by all members of the Committee except Representative Kaho'ohalahala.
(Representatives Evans and Thielen voted no.)

SCRep. 915 Economic Development and Business Concerns on S.B. No. 1281

The purpose of this bill is to exempt lands held by the High Technology Development Corporation (HTDC) for the Maui Research and Technology Center from the definition of "public lands" as defined in section 171-2, Hawaii Revised Statutes (HRS). Consequently, the specified parcel of land held by HTDC would be exempt from management by the Department of Land and Natural Resources (DLNR).

Under existing law, DLNR is authorized to manage, administer, and exercise control over all public lands. Creating an exemption for HTDC lands corrects an inconsistency in the law because section 206M-3, HRS, already gives HTDC the authority to acquire, own, lease, hold, clear, improve, and rehabilitate real, personal, or mixed property.

HTDC supported the intent of this bill. DLNR submitted comments. An individual opposed the bill.

Your Committee notes that it passed a similar bill earlier this session. H.B. No. 1128 exempted lands to which HTDC holds title in its corporate capacity from section 171-2, HRS.

Your Committee has amended this bill to reflect the substance of H.B. No. 1128. As amended, this bill broadens the scope of HTDC's exemption.

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 S.B. No. 1281, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1281, S.D. 1, H.D. 1, and be referred to the Committee on Water, Land Use, and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Abinsay, Herkes and Tamayo.

SCRep. 916 Economic Development and Business Concerns on S.B. No. 855

The purpose of this bill is to encourage the use of renewable energy systems and reduce the State's reliance on fossil fuel by:

- (1) Indefinitely extending the Energy Conservation Income Tax Credit provided in section 235-12, Hawaii Revised Statutes (HRS);
- (2) Repealing the Energy Conservation Income Tax Credit for heat pumps and ice storage systems; and
- (3) Directing the Tax Review Commission to review the renewable energy tax credits provided in section 235-12, HRS, every five years beginning July 1, 2010.

Hawaiian Electric Company, Hawaii Electric Light Company, Maui Electric Company, The Gas Company, Hawaii Solar Energy Association, Powerlight Corporation, R&R Services, Sierra Club, Hawaii Chapter, Life of the Land, and Building Industry Association-Hawaii supported this bill.

The Department of Business, Economic Development, and Tourism and Chamber of Commerce of Hawaii supported the intent of this bill.

The Department of Taxation and Tax Foundation of Hawaii submitted comments.

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

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 S.B. No. 855, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 855, S.D. 1, H.D. 1, and be referred to the Committee on Energy and Environmental Protection.

Signed by all members of the Committee except Representatives Abinsay, Herkes and Tamayo.

SCRep. 917 Economic Development and Business Concerns on S.B. No. 837

The purpose of this bill is to develop a strategic plan for workforce development that can address critical industry needs and promote business development by:

- (1) Requiring the state departments that provide workforce development programs to report annually on their respective programs; and
- (2) Establishing a task force, which would be a collaborative partnership among the government, private sector, community, and policy makers, to ensure that funding for workforce development is maximized to produce a highly skilled workforce in Hawaii.

The Department of Business, Economic Development, and Tourism (DBEDT), Department of Labor and Industrial Relations (DLIR), Workforce Development Council, Chamber of Commerce of Hawaii, and Enterprise Honolulu supported the intent of this bill.

Testimony indicated that the task force may not be necessary since the Workforce Development Council is almost identical in scope and purpose. After further consideration, your Committee has amended this bill by:

- (1) Deleting provisions creating the new task force;
- (2) Consolidating the duties of the task force within the framework of the Workforce Development Council's prescribed duties; 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 Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 837, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 837, S.D. 1, H.D. 1, and be referred to the Committee on Labor and Public Employment.

Signed by all members of the Committee except Representatives Abinsay, Herkes and Tamayo.

SCRep. 918 Economic Development and Business Concerns on S.B. No. 1425

The purpose of this bill is to:

- (1) Establish a demonstration program of business mentoring to encourage employers to provide business mentoring to youth and young adults in career development and workplace and occupational skills; and
- (2) Appropriate moneys for the Hawaii Workforce Development Council to administer the demonstration program.

The Department of Human Resources of the City and County of Honolulu, Chamber of Commerce of Hawaii, and Enterprise Honolulu supported this bill.

The Department of Labor and Industrial Relations and Department of Education supported the intent of this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1425, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1425, S.D. 2, H.D. 1, and be referred to the Committee on Labor and Public Employment.

Signed by all members of the Committee except Representatives Abinsay, Herkes and Tamayo.

SCRep. 919 Economic Development and Business Concerns/Human Services and Housing on S.B. No. 1286

The purpose of this bill is to transfer administrative responsibility for the Housing and Community Development Corporation of Hawaii (HCDCH) from the Department of Business, Economic Development, and Tourism (DBEDT) to the Department of Human Services (DHS).

HCDCH, DBEDT, DHS, Department of Human Resources Development, and Hawaii Government Employees Association (HGEA) supported this bill and concurred with HGEA's recommendations to preserve the rights and benefits of employees transferred.

Accordingly, your Committees have amended this bill by:

- (1) Preserving the rights and benefits of employees transferred by this bill;
- (2) Providing for the transfer of functions between agencies including the continuity of rules, policies, procedures, guidelines, and other material;
- (3) Providing for the transfer of functions, including the effect on deeds, leases, contracts, loans, agreements, permits, or other documents; and
- (4) Making technical, nonsubstantive amendments for purposes of style and clarity.

Your Committees would like to express concerns about the constitutionality of the section dealing with the impairment of federal funds and bonds because it authorizes the Governor to unilaterally modify the bill to effectuate its purpose.

As affirmed by the records of votes of the members of your Committees on Economic Development and Business Concerns and Human Services and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1286, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1286, S.D. 1, H.D. 1, and be referred to the Committee on Labor and Public Employment.

Signed by all members of the Committee except Representatives Abinsay, Herkes and Tamayo.

SCRep. 920 Tourism and Culture on S.B. No. 248

The purpose of this bill is provide additional financial reserves for the Convention Center by raising the limit on the amount of transient accommodations tax revenues that can be deposited into the Convention Center Enterprise Special Fund (Special Fund) from \$31,000,000 to 34,000,000, effective January 1, 2003.

The Hawaii Tourism Authority supported this bill. The Department of Budget and Finance opposed this bill. The Tax Foundation of Hawaii offered comments.

Your Committee recognizes that the current cap on Special Fund monies has left the \$200,000,000 Convention Center with an estimated 0.5 percent in reserves. This level of maintenance reserves is not adequate to meet any major maintenance requirements for the Convention Center. This measure allows the Convention Center to receive up to \$3,000,000 to shore up its reserves.

As affirmed by the record of votes of the members of your Committee on Tourism and Culture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 248, S.D. 3, 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, B. Oshiro and Jernigan.

SCRep. 921 Tourism and Culture on S.B. No. 1040

The purpose of this bill is to improve the Hawaii Statewide Trail and Access Program (Program) by:

- (1) Establishing that transient accommodations tax revenues transferred to the Program shall be deposited into the Special Land and Development Fund (SLDF) for the Program; and
- (2) Repealing the \$500,000 cap on the amount of SLDF monies used for the management, maintenance, and development of trails and trails accesses under the jurisdiction of the Department of Land and Natural Resources (DLNR).

DLNR testified in support of this bill. The Tax Foundation of Hawaii offered comments.

As affirmed by the record of votes of the members of your Committee on Tourism and Culture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1040, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Water, Land Use, and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Herkes, B. Oshiro and Jernigan.

SCRep. 922 Tourism and Culture on S.B. No. 41

The purpose of this bill is to promote public accountability in state government and increase public access to state documents by:

- (1) Specifying that government records relating to procurement, including all subcontracts and partnership agreements entered into by a contractor using public funds, shall be available to the public as provided under the Uniform Information Practices Act (UIPA); and
- (2) Requiring the Hawaii Tourism Authority (HTA) to comply with the disclosure requirements described in (1).

HTA supported this bill. The Building Industry Association of Hawaii opposed this bill.

Your Committee recognizes the importance of increasing transparency with respect to state procurement contracts and ensuring that the public, which ultimately provides the funding for these contracts, has access to these documents. However, your Committee notes that concerns were raised during the public hearing for this measure regarding the extent and scope of the disclosure requirements included in this bill, and whether such requirements were too intrusive. Your Committee supports future legislative efforts to address these concerns.

As affirmed by the record of votes of the members of your Committee on Tourism and Culture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 41 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Herkes, B. Oshiro and Jernigan.

SCRep. 923 Tourism and Culture on S.B. No. 975

The purpose of this bill is to establish limited immunity for public entities, public employees, and the State from liability arising out of hazardous recreational activities.

The Department of Land and Natural Resources, Mayor of Maui County, Maui County Council, a councilmember of the County of Hawaii, Cooper Center Council, SK8 Youth Group, and numerous concerned citizens supported this bill. The Department of the Attorney General and the Mayor of the County of Hawaii supported the intent of this measure. Consumer Lawyers of Hawaii opposed this measure.

As affirmed by the record of votes of the members of your Committee on Tourism and Culture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 975, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Herkes, B. Oshiro and Jernigan.

SCRep. 924 Tourism and Culture on S.B. No. 38

The purpose of this bill is to provide additional flexibility to the Hawaii Tourism Authority (HTA) by allowing it to appoint, or retain by contract, attorneys independent of the Department of the Attorney General (AG).

HTA supported this bill. The AG opposed this measure.

Your Committee notes that the duties and responsibilities of HTA require specialized legal expertise in a variety of business and commercial areas. Granting HTA the authority to retain its own legal services will allow HTA to conduct its business in a more efficient and effective manner.

Your Committee has amended this bill by inserting the contents of S.B. No. 1210 and a proposed bill developed by the House Select Committee on War Preparedness to support Hawaii's tourism industry. As amended, this bill:

- (1) Establishes the Hawaii Tourism Registry, composed of groups of state residents who plan to travel out-of-state, to market or promote Hawaii as a tourist destination; and
- (2) Appropriates \$8,000,000 out of the Tourism Special Fund for the implementation of an integrated marketing plan by HTA to market and promote Hawaii as a visitor destination.

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

As affirmed by the record of votes of the members of your Committee on Tourism and Culture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 38, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 38, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Herkes, B. Oshiro and Jernigan.

SCRep. 925 Tourism and Culture on S.B. No. 1629

The purpose of this bill is to exempt from the general excise tax (GET) amounts received by:

- (1) A submanager of an association of apartment owners of a condominium or a nonprofit homeowners or community association in reimbursement of sums paid for common expenses;
- (2) An operator of a hotel from a timeshare association equal to and which are disbursed by the operator for employee wages, salaries, payroll taxes, insurance premiums, and benefits; and
- (3) A suboperator of a hotel from the owner of the hotel, operator of the hotel, or a timeshare association, equal to and which are disbursed by the suboperator for employee wages, salaries, payroll taxes, insurance premiums, and benefits.

Outrigger Hotels supported this bill. The Department of Taxation opposed this measure. The Tax Foundation of Hawaii offered comments.

Your Committee believes that the extension of GET exemptions contained in this measure helps to ensure equitable treatment for taxpayers in similar situations.

Your Committee has amended this bill by establishing that the provisions of the bill shall apply to amounts received after December 31, 2002, instead of June 30, 2003.

As affirmed by the record of votes of the members of your Committee on Tourism and Culture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1629, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1629, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Herkes, B. Oshiro and Jernigan.

SCRep. 926 Health on S.B. No. 739

The purpose of this bill is to make permanent the Organ and Tissue Education Fee and the Hawaii Organ and Tissue Education Special Fund (Special Fund), established in Act 88, Session Laws of Hawaii 1999 (Act 88).

The Organ Donor Center of Hawaii, Hawaii Coalition on Donation, Congress of Visayan Organizations, Minority Organ Tissue Transplant Education Program, and Transplant Association of Hawaii testified in support of this measure. The Department of Health supported the intent of this measure. A concerned individual opposed this measure.

Your Committee finds that the Special Fund established by Act 88 serves an essential function in promoting education and public awareness of organ donation. This measure will allow educational efforts to continue to promote organ and tissue donation to save lives.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 739 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 Nishimoto, Takai and Stonebraker.

SCRep. 927 Health on S.B. No. 1321

The purpose of this bill is to provide for mental health parity by:

- (1) Expanding the definition of "serious mental illness"; and
- (2) Making mental health parity permanent by repealing the June 30, 2003, sunset date in Act 243, Session Laws of Hawaii 2000.

The Governor, Department of Health, Department of Commerce and Consumer Affairs, Hawaii Government Employees Association, Blueprint for Change, Hawaii Psychiatric Medical Association, National Association of Social Workers, Mental Health Association in Hawaii, Hawaii Psychological Association, NAMI OAHU, Equal Insurance Coalition, Hawaii Medical Association, Hawaii Nurses' Association, and numerous individuals testified in support of this bill. The Hawaii Disability Rights Center supported this measure with amendments. The Chamber of Commerce of Hawaii, HMAA, and the Hawaii Medical Service Association opposed the bill. Kaiser Permanente submitted comments.

Your Committee finds that serious mental illnesses, such as delusional disorder, bipolar, and major depression, are serious health concerns in Hawaii. Achieving mental health parity will help individuals receive treatment in a timely manner and at an affordable cost as well as help to improve the social climate in Hawaii.

Your Committee has amended this bill by:

- (1) Changing the effective date of the expanded definition of "serious mental illness" to July 1, 2004; 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 S.B. No. 1321, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1321, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Nishimoto, Takai and Takumi.

SCRep. 928 Health on S.B. No. 1360

The purpose of this bill, which applies to situations where in-the-field emergency response personnel provide medical services to an individual whose heart or breathing has stopped, is to allow an individual, or their guardian, agent, or surrogate, to make healthcare decisions on behalf of the individual with regard to the withholding of cardiac resuscitation and artificial breathing, and implementation of "comfort care only-do not resuscitate" protocols.

In addition, this bill repeals the provision that a person's physician certify in a written "comfort care only" document that the person is a terminally ill patient of that physician for purposes of uniform methods of identification under emergency medical services rules.

The Department of Health, a councilmember of the County of Maui, Compassion in Dying of Hawaii, and the Policy Advisory Board for Elder Affairs supported this bill. The Christian Science Committee on Publication for Hawaii supported the intent of this bill.

Upon further review, your Committee has amended this bill by deleting its contents and inserting provisions to provide funding for emergency medical services. As amended, this bill appropriates undetermined funds for emergency medical services at the following:

- (1) Waianae Coast Comprehensive Health Center;
- (2) Hana Community Hospital;
- (3) Molokai General Hospital; and
- (4) Kahuku Hospital.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1360, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1360, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Nishimoto, Takai and Takumi.

SCRep. 929 Health on S.B. No. 658

The purpose of this bill is to require nonreligious hospitals to provide sexual assault survivors information and access to emergency contraception.

The First Unitarian Church, American Civil Liberties Union of Hawaii, Sex Abuse Treatment Center, and Community Alliance on Prisons testified in support of this measure. The Hawaii State Commission on the Status of Women and Healthy Mothers, Healthy Babies supported the intent of this measure. Planned Parenthood of Hawaii supported this measure with amendments.

Hawaii Right to Life, American Center for Law & Justice, Pro-Family Hawaii, and many concerned individuals opposed this measure. The Roman Catholic Conference, St. Francis Healthcare System of Hawaii, and a concerned individual provided comments.

Your Committee finds that individuals do not always have easy access to emergency contraceptives. Emergency contraceptives must be taken within 72 hours of sexual intercourse to be most effective. Your Committee is especially concerned that there are a large number of unreported sexual assaults. Individuals who report sexual assaults are generally given information about emergency contraception, but it is estimated that for every reported sexual assault, there are many more that remain unreported.

Statistics estimate that 300,000 women are sexually assaulted each year in the United States, and approximately 25,000 of those women become pregnant as a result. Approximately 22,000 of those pregnancies could be prevented if all sexually assaulted women used emergency contraceptives.

Your Committee has amended this bill by:

- (1) Requiring hospitals that provide emergency contraception to ask sexual assault survivors if they are under the age of 16 and the name of the assailant, while making it clear that an answer is optional;
- (2) Requiring hospitals who obtain the assailant's name to report it to the police, but not reporting the sexual assault survivor's name;
- (3) Reducing to \$1,000, the administrative fine on hospitals that do not comply with the requirements relating to providing information or access to emergency contraception;
- (4) Removing the penalty for two violations of noncompliance;
- (5) Imposing a \$1,000 fine on religious hospitals that do not provide sexual assault survivors information and a list of facilities in the vicinity that provide emergency contraceptives; and
- (6) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 658, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 658, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Hale, Takumi, Finnegan and Stonebraker.

SCRep. 930 Health on S.B. No. 1238

The purpose of this bill is to enable individuals to make known in advance their preferences regarding mental health care and treatment so that these preferences can guide their future care and treatment. Among other things, this bill:

- (1) Provides for advance mental health care directives to convey these preferences;
- (2) Allows individuals to appoint agents to make mental health care decisions on their behalf; and
- (3) Repeals chapter 327F, Hawaii Revised Statutes, relating to medical treatment decisions for psychotic disorders.

The Department of Health, Hawaii Psychological Association, Mental Health Association in Hawaii, Nami Oahu, and a concerned individual testified in support of this bill. The Christian Science Committee on Publication for Hawaii supported the intent of this measure, and Hawaii Disability Rights Center supported this measure with amendments. Hawaii Right to Life opposed a portion of this bill.

Your Committee has amended this bill by:

- (1) Deleting two provisions that would have allowed individuals to relinquish their right to change or revoke their advance mental health care directive. The first would have allowed an exception to the right of an individual to revoke an advance mental health care directive at any time. The second would have authorized an agent to immediately make mental health care treatment decisions on behalf of an individual; 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1238, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1238, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Nishimoto, Takai and Takumi.

SCRep. 931 Health on S.B. No. 1675

The purpose of this bill is to amend the certificate of need (CON) program administered by the State Health Planning and Development Agency by:

- (1) Increasing the minimum expenditure for projects requiring CON review;
- (2) Increasing penalties for violations;
- (3) Adding geriatricians as primary care providers; and
- (4) Repealing the letter of intent requirement.

The Queen's Development Corporation, Hawaii Pacific Health, and Hawaii Disability Rights Center testified in support of this measure. The Healthcare Association of Hawaii also supported this bill with amendments. The Department of Health (DOH) opposed this measure.

Upon further consideration, your Committee has amended this bill by deleting its substance and inserting provisions that transfer the Executive Office on Aging from the Office of the Governor to DOH.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1675, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1675, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Nishimoto, Takai and Takumi.

SCRep. 932 Health on S.B. No. 683

The purpose of this bill is to establish appropriate standards for outpatient diabetes self-management education.

A concerned individual testified in support of this bill. The American Association of Diabetes Educators, Hawaii Association of Diabetes Educators, Hawaii Primary Care Association, Waianae Coast Comprehensive Health Center, and three concerned health care professionals supported the measure with amendments. The Hawaii Medical Service Association, Hawaii Association of Health Plans and a concerned health professional opposed the bill. Kaiser Permanente expressed concerns about this measure.

Your Committee finds that the National Committee for Quality Assurance (NCQA) measures adherence to diabetes guidelines but does not directly measure the quality of a diabetes education program or provider. Therefore, NCQA is not the appropriate organization for setting a standard for diabetes education.

Your Committee has therefore amended this bill to require that diabetes education be provided by a certified diabetes educator, an American Diabetes Association recognized program or a health care professional trained in diabetes education. Your Committee also provided that only the first two may be used if the prescriber deems the education to be medically necessary.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 683, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 683, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Nishimoto, Takai and Takumi.
(Representative Finnegan voted no.)

SCRep. 933 Health on S.B. No. 695

The purpose of this bill is to protect consumers by:

- (1) Establishing a licensing program for professional counselors;
- (2) Setting educational and experimental standards for professional counselors;
- (3) Requiring licensure for those persons who seek to represent themselves to the public as licensed professional counselors; and
- (4) Establishing a Professional Counselors Licensing Program Start-up Trust Fund to receive gifts, bequests, and other contributions of money for the initial costs of implementing the program.

Catholic Charities Hawaii-Family Services, Hale Kipa, Inc., Hawaii Youth Services Network, Sestak Rehabilitation Services, National Association of Social Workers, Kaiser Permanente, Hawaii Rehabilitation Counseling Association, Lynn C. Fox & Associates, Inc., Vocational Rehabilitation Consultants, Child and Family Service, American Counseling Association, Hawaii Counseling Association, Alliance for Professional Counselor Licensure, and a concerned citizen testified in support of this measure.

The Christian Science Committee on Publication for Hawaii testified in support of the intent of this measure. The Department of Commerce and Consumer Affairs (DCCA) opposed this measure. The Department of Education (DOE) commented on this bill.

Your Committee finds that Hawaii is only one of a handful of states that does not license professional counselors. Professional counselors should possess appropriate qualifications and follow the ethical standards of the counseling profession. A licensure process safeguards the health and well-being of the public.

Your Committee notes that other possible benefits to the licensing of professional counselors would include savings in reimbursement rates for services provided by professional counselors and an increase in the availability of qualified professionals to meet the requirements of the *Felix Consent Decree*.

Although your Committee understands the concerns raised by DCCA on the necessity of licensing professional counselors and the reported benefits of doing so, safeguarding the public should be of utmost concern. After careful consideration, your Committee has amended this measure by:

- (1) Providing that any individual employed by the State, any of its political subdivisions, or any instrumentality of the State or its political subdivisions shall be exempted from licensure requirements provided that the State, its political subdivisions, or any instrumentality thereof, shall not be precluded from requiring licensing as a condition of employment;
- (2) Removing language that individuals employed by a federal, state, or county government agency whose duties and responsibilities involve the practice of professional counseling are exempt from licensing requirements only at those times when that person is carrying out the duties and responsibilities as a counselor in governmental employment;
- (3) Clarifying that one of the qualifications necessary for licensure as a professional counselor is to have a masters degree or doctoral degree from a nationally or regionally accredited institution in counseling or in an allied field related to the practice of professional counseling that includes or is supplemented by graduate level coursework in counseling; and

- (4) Clarifying that one of the qualifications necessary for licensure as a professional counselor is to have at least two academic terms of practicum experience in a counseling setting with 300 hours of supervised client contact.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 695, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 695, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Nishimoto, Takai and Takumi.

SCRep. 934 Health on S.B. No. 783

The purpose of this bill is to allow emergency medical technicians (EMTs) to retire after 25 years of credited service, irrespective of age.

The City and County of Honolulu Emergency Services Department, Prehospital Emergency Care Professionals Association, Honolulu Paramedic Association, and numerous individuals testified in support of this bill. The Department of Health supported the intent of this bill. Several individuals opposed the bill. The Employees' Retirement System submitted comments.

Your Committee finds that currently, EMTs do not enjoy parity with other public safety personnel, such as police officers, firefighters, and water safety officers, with regard to retirement benefits. EMTs are often placed in physically and emotionally demanding situations, similar to that of other public safety personnel.

Your Committee has amended this bill by:

- (1) Allowing EMTs to retire after 25 years of service without a reduction for age; provided that they retire no earlier than July 1, 2003, to July 1, 2006, depending on the date they began service; 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 S.B. No. 783, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 783, S.D. 1, H.D. 1, and be referred to the Committee on Labor and Public Employment.

Signed by all members of the Committee except Representatives Nishimoto, Takai and Takumi.

SCRep. 935 Health on S.B. No. 1676

The purpose of this bill is to remedy the conflict-of-interest situation created by the Department of Health's (DOH) licensing itself and its own contracted providers.

Specifically, this bill:

- (1) Transfers DOH's Office of Health Care Assurance to the State Health Planning and Development Agency (SHPDA); and
- (2) Renames SHPDA as the Hawaii Health Performance Agency.

This action was one of the recommendations made by the Auditor in Auditor's Report No. 02-06.

The Hawaii Disability Rights Center supported this bill. The Hawaii Government Employees Association and a concerned individual supported the measure with amendments. DOH, Hawaii Long Term Care Association, and Hawaii Coalition of Care Home Administrators opposed this bill.

Your Committee finds that only 160,000 residents of Hawaii are eligible to receive benefits from the federally matched Medicaid program, which provides full medical coverage, including laboratory testing, prescription-drug costs, and long-term care expenses. Eligibility is currently limited to those with family incomes under 100 percent of the federal poverty level, which is approximately \$20,000 per year for a family of four.

Upon careful consideration, your Committee has amended this bill by deleting its contents and inserting the substance of H.B. 1617, H.D. 1, which establishes the State Health Authority, to be designated as the State's Medicaid agency, and which your Committee passed earlier during the session.

As amended, this bill would, among other things, request a federal waiver to raise the eligibility requirement from 100 percent to 300 percent of the federal poverty level, or up to approximately \$61,500 per year for a family of four. Accordingly, many more Hawaii residents would gain access to quality healthcare coverage.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1676, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1676, H.D. 1, and be referred to the Committee on Labor and Public Employment.

Signed by all members of the Committee except Representatives Nishimoto, Takai and Takumi.
(Representatives Ching, Finnegan and Stonebraker voted no.)

SCRep. 936 Health/Human Services and Housing on S.B. No. 1061

The purpose of this bill is to:

- (1) Statutorily establish licensing qualifications and requirements for Type I and Type II adult residential care homes (ARCHs); and

- (2) Require the Department of Health (DOH) to conduct unannounced inspections on ARCHs and expanded ARCHs.

The Judiciary, AARP Hawaii, Healthcare Association of Hawaii, Hawaii Long Term Care Association, Kokua Council, Policy Advisory Board for Elderly Affairs, National Association of Social Workers, State Long Term Care Ombudsman, a member of the Maui Council, and many concerned individuals testified in support of this measure.

The United Group of Home Operators, Hawaii Coalition of Care Home Administrators, and several concerned individuals opposed this measure. DOH and several concerned individuals submitted comments.

Your Committees find that ARCHs play an integral role in providing long-term care services in Hawaii. Hawaii is facing a long-term care crisis, with a rapidly aging society and not enough service providers to care for these individuals. While your Committees believe that it is essential to find the means to provide services and to encourage caring and competent individuals to establish ARCHs, your Committees believe it is equally important to ensure the safety of the individuals living in ARCHs.

Your Committees note that while most ARCHs are operated efficiently and safely, there is a need for mechanisms to ensure the health and safety of ARCH residents. It is not the intent of your Committees to penalize diligent ARCH operators. Your Committees believe that ARCHs that demonstrate exemplary care and management of their operations in a consistent manner should be exempt from some of the annual inspections at the discretion of DOH.

Your Committees have amended this bill by deleting its contents and inserting language that:

- (1) Establishes a Type IA ARCH that allows five or fewer ARCH residents, with no more than two requiring nursing facility-level care unless allowed by DOH;
- (2) Authorizes DOH to establish criteria for Type IA facility operators;
- (3) Specifies that DOH shall conduct various types of announced and unannounced visits and inspections pertaining to Type I, Type II, and expanded ARCHs; and
- (4) Authorizes DOH to waive annual inspections at its discretion.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1061, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1061, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Kahikina, Nishimoto and Takumi.

SCRep. 937 Health/Human Services and Housing on S.B. No. 1427

The purpose of this bill is to require the Disability and Communication Access Board (DCAB) to monitor relay services for deaf, hard-of-hearing, and speech-impaired persons in Hawaii.

DCAB, the Assistive Technology Resource Centers of Hawaii, Aloha State Association of the Deaf, and several concerned individuals submitted testimony in support of this measure. Verizon Hawaii submitted comments.

Your Committees find that relay services are necessary for deaf, hard-of-hearing, and speech-impaired persons in Hawaii to adequately and efficiently communicate with others. Furthermore, it is vital to the health and safety of persons who are deaf, hard-of-hearing, and speech-impaired to have a monitoring system in place to assure that direct communication access to emergency services is available.

Your Committees have amended the bill by:

- (1) Requiring the Auditor to conduct an audit of the DCAB Special Fund and the scope of services and funds used for relay services;
- (2) Appropriating funds from the DCAB Special Fund to provide for the costs of the audit; 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 Health and Human Services and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1427, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1427, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Nishimoto, Kahikina and Takumi.

SCRep. 938 Human Services and Housing on S.B. No. 1661

The purpose of this bill is to:

- (1) Require the construction of the Villages of Kapolei to be completed within five years; and
- (2) Require the Department of Transportation and the Housing and Community Development Corporation of Hawaii (HCDCH) to coordinate with the City and County of Honolulu to implement the recommendations of a traffic study for the Villages of Kapolei.

Villages of Kapolei and several individuals submitted testimony in support of this bill. HCDCH submitted testimony in opposition to this bill.

Your Committee finds that construction at the Villages of Kapolei has been very slow in developing, despite the great demand for housing in this area. Furthermore, as a growing community, the Villages of Kapolei have encountered some problems with traffic patterns that need to be rectified. This bill seeks to address both of these concerns.

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 S.B. No. 1661, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Transportation.

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

SCRep. 939 Human Services and Housing on S.B. No. 1351

The purpose of this bill is to require the Department of Human Services (DHS) to develop standards, including criminal history record checks, to ensure the responsible and reputable character of providers who have direct contact with individuals who receive adult services from DHS.

DHS and the Policy Advisory Board for Elder Affairs submitted testimony in support of this bill.

Your Committee finds that this bill will enable DHS to better ensure the safety and well-being of recipients of services. The use of criminal history record checks will also conform with accepted standards and expand safeguards to those who are not currently covered under DHS standards.

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 S.B. No. 1351 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Takai, Takumi and Stonebraker.

SCRep. 940 Human Services and Housing on S.B. No. 881

The purpose of this bill is to enhance the protection of abused and neglected children by:

- (1) Requiring public safety officers, sheriffs, and deputy sheriffs to report suspected cases of child abuse or neglect; and
- (2) Authorizing public safety officers, sheriffs, and deputy sheriffs to take protective custody of victims in such cases.

The Department of Human Services, Department of Public Safety, and an individual submitted testimony in support of this bill.

Your Committee finds that, currently, public safety officers, sheriffs, and deputy sheriffs do not have the authority to take an abused or neglected child into protective custody and are not required to report cases of abuse and neglect. This bill will expand the protection afforded to children who are being abused or neglected.

Your Committee has amended this bill by:

- (1) Deleting the requirement that police officers must witness abuse or neglect in the course of duty to assume protective custody of a child without a court order;
- (2) Changing the effective date to March 1, 2004; 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 Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 881, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 881, S.D. 1, H.D. 1, and be referred to the Committee on Public Safety and Military Affairs.

Signed by all members of the Committee except Representatives Takai, Takumi and Stonebraker.

SCRep. 941 Human Services and Housing/Health on S.B. No. 918

The purpose of this bill is to:

- (1) Require motor vehicle insurance companies to offer optional coverage for the use of an individual's insured vehicle in the course of the individual's work at a nonprofit organization; and
- (2) Allow amounts paid for such optional coverage to be deducted from an individual's taxable income for state income tax purposes.

Catholic Charities Hawaii, Hawaii Youth Services Network, and Hale Opio Kauai, Inc., submitted testimony in support of the intent of this bill. The Department of Taxation submitted testimony in opposition to this bill. Tax Foundation of Hawaii submitted comments on this bill.

Your Committees find that many individuals use their personal vehicles in the course of their duties as employees or volunteers for nonprofit organizations. However, these individuals are often precluded from fulfilling their duties as employees or volunteers because they are unable to obtain insurance coverage for the use of their vehicle for work purposes. This bill will help to rectify that situation, and make it more financially feasible for these individuals to receive coverage.

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 S.B. No. 918, S.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Takai, Takumi, Takai and Takumi.
(Representatives Finnegan and Finnegan voted no.)

SCRep. 942 Human Services and Housing/Health on S.B. No. 945

The purpose of this bill is to designate a percentage of tobacco settlement moneys to be used for nonschool-hour programs for sixth to eighth graders to be administered by:

- (1) The Office of Youth Services (OYS) of the Department of Human Services;
- (2) The Department of Education (DOE); and
- (3) County Departments of Parks and Recreation.

OYS, Honolulu Police Department, Hawaii Youth Services Network, Coalition for a Drug-Free Hawaii, Community Alliance on Prisons, American Box Car Racing International, and an individual submitted testimony in support of this bill. DOE submitted testimony in support of the intent of this bill. The Department of Budget and Finance and American Heart Association submitted testimony in opposition to this bill.

Your Committee recognizes the importance of structured programs and activities during nonschool hours for children and youth to prevent or reduce risk factors and establish and strengthen positive, protective environments for them.

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 S.B. No. 945, S.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Education.

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

SCRep. 943 Human Services and Housing/Health on S.B. No. 1580

The purpose of this bill is, among other things, to:

- (1) Appropriate state matching funds for federal funds available for nonrecurring adoption expenses and to contract with a nonprofit legal services provider to provide assistance to adoptive families;
- (2) Appropriate funds for a grant-in-aid to a nonprofit legal services provider to obtain additional federal supplemental security income benefits; and
- (3) Appropriate funds for a grant-in-aid to a nonprofit legal services provider to implement a two-year pilot project to maximize federal benefits available to Hawaii residents eligible for benefits under both Medicaid and Medicare.

The Legal Aid Society of Hawaii submitted testimony in support of this bill. The Department of Human Services submitted testimony in support of the intent of this bill. The Hawaii Disability Rights Center submitted testimony in opposition to this bill.

Your Committees find that this bill will directly help children, disabled and elderly individuals, and families. It will also enable the State to access federal funding available for these purposes that is currently not being pursued adequately.

Your Committees have amended this bill by making technical, nonsubstantive changes for purposes of style, clarity, and conformity.

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 S.B. No. 1580, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1580, H.D. 1, and be referred to the Committee on Education.

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

SCRep. 944 Energy and Environmental Protection on S.B. No. 506

The purpose of this bill is to provide a dedicated source of funding for hydrogen research and development by allocating \$250,000 per year of the State's royalties from geothermal resources to the Department of Business, Economic Development, and Tourism (DBEDT).

The Hawaii Renewable Energy Alliance and the Sierra Club, Hawaii Chapter, supported this measure. DBEDT and the Department of Land and Natural Resources (DLNR) commented on this measure.

Your Committee understands that royalties received by the State from geothermal resources fluctuates from year to year based on production levels. Your Committee further understands that a minimum amount of royalties collected by the State cannot be guaranteed and that there is no way to ensure that a transfer of funds to DBEDT will not negatively impact DLNR's ability to manage geothermal resources.

DBEDT and DLNR recommended an allocation of \$100,000 of the State's portion of geothermal royalties to DBEDT for each year of the fiscal biennium 2003-2005 to be used as the State's cost share for the Hawaii Hydrogen Power Park Project. This is a three-phase \$3,000,000 project for the design and installation of an integrated hydrogen and fuel cell system.

Your Committee has amended this bill by:

- (1) Removing language allocating \$250,000 per year of the State's portion of the royalties from geothermal resources to fund hydrogen research and development as an alternative energy source;
- (2) Appropriating \$100,000 out of the Special Land and Development Fund for fiscal year 2003-2004 and 2004-2005 to be used as the State's cost share for the Hawaii Hydrogen Power Park project through phases 2 and 3; and
- (3) Making technical, nonsubstantive amendments for purposes of style and clarity.

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

Signed by all members of the Committee.

SCRep. 945 Energy and Environmental Protection on S.B. No. 492

The purpose of this bill is to provide low-cost financing to promote energy efficiency and renewable energy technologies in state facilities and schools by authorizing the issuance of \$100,000,000 in general obligation bonds.

The Sierra Club, Hawaii Chapter, Hawaii Renewable Energy Alliance, Hawaiian Electric Company, Hawaii Electric Light Company, Maui Electric Company, and an individual testified in support of this measure.

The Department of Business, Economic Development, and Tourism supported the intent of this measure.

Your Committee finds that the installation of renewable energy and energy efficient technologies in State facilities could pay for all or a substantial portion of the costs associated with issuing general obligation bonds. Your Committee further finds that this measure will encourage and accelerate the implementation of energy efficient projects in state buildings.

Upon further consideration, your Committee has amended this bill by deleting its substance and inserting the substance of part II of H.B. No. 288, H.D. 2, which:

- (1) Authorizes the issuance and appropriation of general obligation bonds to finance the acquisition, construction, rehabilitation, installation, and improvement of renewable energy and energy efficient technologies in state facilities;
- (2) Provides that the State identify, evaluate, and prioritize qualifying projects that should be improved with renewable energy and energy efficient technologies; and
- (3) Requires the Department of Accounting and General Services to conduct a comprehensive study on the practicality, economics, and other relevant aspects of state facilities that install renewable energy and energy efficient technologies.

Your Committee has further amended this bill by:

- (1) Changing the appropriation amount of the general obligation bond to \$25,000,000; 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 Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 492, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 492, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 946 Energy and Environmental Protection/Water, Land Use, and Hawaiian Affairs on S.B. No. 857

The purpose of this bill is to establish the Hawaii Invasive Species Council (Council) to coordinate state efforts to control and eradicate alien invasive species.

The Nature Conservancy of Hawaii, Oahu Invasive Species Committee, Pineapple Growers Association of Hawaii, Sierra Club, Hawaii Chapter, and the Hawaii Audubon Society testified in support of this measure.

The Department of Land and Natural Resources, Department of Agriculture, and Na Leo Pohai supported the intent of this measure.

The Attorney General commented on this measure.

Your Committees find that the lack of coordination and accountability are major problems in fighting invasive species in this State. Your Committees believe that a temporary council will be able to coordinate state and county efforts in controlling and eradicating alien invasive species.

Your Committees have amended this measure by:

- (1) Clarifying that the Council is created for the special purpose of coordinating State activities to control and eradicate alien invasive species;
- (2) Making the Council temporary by including a sunset provision of five years; and
- (3) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Energy and Environmental Protection and Water, Land Use, and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 857, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 857, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Waters, Kaho'ohalahala, Kanoho.

SCRep. 947 Human Services and Housing on S.B. No. 1647

The purpose of this bill is to provide toll-free telephonic access to time-sensitive information for the blind and visually impaired by:

- (1) Authorizing the Universal Service Program within the Public Utilities Commission (PUC) to provide such access;
- (2) Authorizing funds from the Universal Service Fund to be used to provide such access; and
- (3) Appropriating funds from the general revenues of the State for fiscal biennium 2003-2005 to provide such access.

The Hawaii Chapter of the National Federation of the Blind, Assistive Technology Resource Centers of Hawaii, Six Sense Solutions, and many concerned individuals testified in support of this bill. The Disability and Communication Access Board supported the intent of this measure. Verizon Hawaii supported this bill with amendments. PUC submitted comments.

Your Committee finds that telecommunications services for the blind and visually impaired are not as readily available as relay services for the hearing impaired. In particular, the blind and visually impaired have little access to time-sensitive information such as newspapers. However, the blind and visually impaired do have access to the National Federation of the Blind (NFB) Newline, which provides access to a local newspaper as well as newspapers in other states.

There are currently 256 NFB Newline users in the State. Access to NFB Newline was started by private funds and has been maintained by private and federal funds. However, funding is now in jeopardy, even though the cost is minimal. Your Committee strongly believes that this is an essential service for the blind and visually impaired community.

Your Committee has amended this bill by:

- (1) Removing the provisions pertaining to the Universal Service Program;
- (2) Removing the provisions pertaining to the Universal Service Fund;
- (3) Removing the general fund appropriation;
- (4) Authorizing PUC to restructure telephone rates, charges, and classifications to fund telecommunications services for the blind and visually impaired; 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 S.B. No. 1647, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1647, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

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

SCRep. 948 Human Services and Housing on S.B. No. 1352

The purpose of this bill is to extend the demonstration projects for home-and community-based case management agencies and community care foster family homes and appropriate funds for these projects.

The Department of Human Services (DHS), Catholic Charities Elderly Services, and several concerned individuals testified in support of this measure. The Queen's Medical Center supported the intent of this measure.

Your Committee finds that community care foster family homes provide an invaluable service in the community, particularly during a time when the necessity for long-term care services are greatly in demand. The home-and community-based case management agencies are essential in certifying the community care foster family homes.

Your Committee has amended this bill by:

- (1) Removing the applicability provision;
- (2) Removing the appropriation;
- (3) Requiring DHS to submit a report to the Legislature on the effectiveness of the demonstration project; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1352, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1352, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Takai, Takumi and Stonebraker.

SCRep. 949 Human Services and Housing/Health on S.B. No. 473

The purpose of this bill is to require informational meetings as a component of the county zoning permit process for group living facilities for people who have been released from a correctional facility or mental health institution, or who are receiving treatment for substance abuse or sex offender treatment.

The Department of Public Safety and a concerned individual supported this measure. Catholic Charities Hawaii, Hawaii Youth Services Network, and Hale Opio Kauai, Inc., opposed this measure.

Your Committees finds that communities are concerned about the location of certain group living facilities, particularly when they are located near schools. Opponents of this measure felt that it was overly broad and may violate the federal Fair Housing Act. However, opponents agreed that the informational meeting process should apply to facilities housing convicted sex offenders and violent offenders.

Additionally, your Committees had an extensive discussion pertaining to substance abuse and whether facilities housing persons undergoing substance abuse treatment should be included. Your Committees agreed that facilities housing sex offenders and

violent offenders should comply with the informational meeting process, and respectfully requests that the Committee on Judiciary discuss and determine if facilities housing individuals undergoing substance abuse treatment should be included as well.

Your Committees have amended this bill by:

- (1) Removing provisions for living facilities for people who have been released from correctional facilities or mental health institutions or who are receiving treatment for substance abuse or sex offense;
- (2) Inserting provisions requiring facilities seeking to house persons convicted of sexual or other violent offenses to complete the public informational meeting process; 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 S.B. No. 473, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 473, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 950 Consumer Protection and Commerce on S.B. No. 574

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

- (1) Make an appropriation to fund three insurance examiner positions in the Captive Insurance Administrative Branch (Branch) of the Insurance Division of the Department of Commerce and Consumer Affairs (DCCA); and
- (2) Provide that the Captive Insurance Administrator report directly to the Insurance Commissioner.

The Director of the Hawaii Captive Insurance Council testified in support of this bill. The Insurance Commissioner testified in support of the bill and suggested an amendment.

Your Committee finds that the State's captive insurance program has been very successful in attracting captive insurers to Hawaii. Accordingly, the number of captive insurers regulated by DCCA has expanded by 100 percent over the past four years, without an increase in insurance examiners in the captive insurance program's staff. The escalating workload has made it necessary for DCCA to outsource examinations to independent contractors, which is typically more expensive than when handled internally by DCCA. This bill would provide funding to allow DCCA to reduce the cost of conducting insurance examinations and thereby reduce the regulatory burden on the State's captive insurance industry which pays for these examinations.

Your Committee has amended this bill by making a technical, nonsubstantive amendment to accurately designate the source of funding for the added positions as the Compliance Resolution Fund, which is the fund into which all Captive Insurance Administration Fund moneys are transferred, and out of which all expenditures for the Branch's personnel and operating costs are made.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 574, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 574, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Ito, Kanoho, M. Oshiro and Souki.

SCRep. 951 Consumer Protection and Commerce on S.B. No. 1058

The purpose of this bill is to allow the Insurance Commissioner greater flexibility in approving investments of captive insurance companies.

Testimony in support of this measure was received from the Insurance Commissioner, Bank of Hawaii, and two concerned individuals.

Your Committee finds that the Insurance Commissioner should be given broader authority to determine appropriate investment requirements for each captive licensee. This bill will allow captive insurance companies to invest in safe, alternative investment vehicles, and will also allow Hawaii to compete with the more than 20 other states with captive enabling legislation, some of which impose no investment restrictions on their captives.

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1058, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1058, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Herkes, Ito, Kanoho, M. Oshiro and Souki.

SCRep. 952 Health/Human Services and Housing on S.B. No. 1492

The purpose of this bill is to specify that:

- (1) An existing condominium may only become an assisted living facility (ALF) if a separate entity is formed and each unit owner can determine if the owner's unit will be placed in the condominium project or ALF; and
- (2) Condominiums may not be ALFs without the authorization of the condominium project instruments.

The Hawaii Independent Condominium and Cooperative Owners, Hawaii Council of Associations of Apartment Owners, Hawaii Long Term Care Association, and many concerned individuals testified in support of this measure. Numerous individuals opposed this measure. The Department of Health (DOH) provided comments.

Your Committees find that some condominiums were initially developed for seniors offering a menu of services on a "pay for services provided" basis. Some of the residents in these condominiums are able to care for themselves, but wish to "age in place" and may eventually require a few services to assist with living. However, other residents purchased units in these condominiums for the purpose of having ALF services readily available should they need them.

Some of these condominiums were recently licensed by DOH as "assisted living facilities." Residents claim that this new classification has driven up maintenance costs. This has caused a rift between the owners of the units who have differing views on the condominium being classified as an ALF.

Your Committees believe that a compromise needs to be made, and would like to delay the effect of this measure by a year to allow DOH to study the issue and determine the impact upon the condominiums licensed as ALFs. Further, your Committee respectfully requests the Committee on Commerce and Consumer Protection to pay particular attention to the impact of having separate condominium associations for the ALF units and non-ALF units.

Your Committees have amended this bill by:

- (1) Requiring DOH to conduct a study on the impact of this measure on the condominiums;
- (2) Changing the effective date to July 1, 2004; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1492, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1492, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Nishimoto, Kahikina and Takumi.

SCRep. 953 Transportation on S.B. No. 460

The purpose of this bill is to include dune buggy replica vehicles within the special interest vehicle registration requirements, thereby removing such vehicles from the reconstructed vehicle registration law.

The Volkswagen Club of Hawaii and several concerned citizens testified in support of this measure. The Department of Transportation opposed this measure.

In 1986, Hawaii enacted its reconstructed vehicle registration law, which required owners of reconstructed vehicles on Oahu to submit a certificate of safety from a qualified engineer in order to register their vehicles. However, fiberglass replica and so-called "kit cars" were not included in the original statute and thus were not able to be legally registered on Oahu.

To correct this disparity, "special interest vehicles" were defined and subjected to vehicle inspection and registration requirements that allowed for these vehicles to be legally registered and operated on public roadways. However, this only applied to kit cars that were manufactured before 1949 or resembled vehicles built before 1949. Other kit car owners, and more specifically, dune buggies, were not considered "special interest vehicles" under this statute.

Your Committee finds that dune buggies and other kit cars are substantially similar in structural and mechanical integrity, and are as safe as, "special interest vehicles" currently defined by statute. Your Committee further finds that this definition has led to the disparate treatment of dune buggy owners with regards to legally registering this type of motor vehicle and operating it on a public roadway.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 460 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 Ito and Moses.

SCRep. 954 Consumer Protection and Commerce on S.B. No. 374

The purpose of this bill is to clarify the de minimis structure position discrepancy tolerance that will be applied to structures built on property of undeterminable use that is owned by an owner's association.

A real estate broker, real estate attorney, and a land surveyor submitted comments on this measure and offered amendments.

The de minimis structure position discrepancy law provides some "give" in the property law. It applies to improvements legally constructed along what was reasonably believed to be the boundary line between properties, but which actually intrude onto the neighboring property. Under the law, so long as the intrusion falls within a specified number of feet, it will not be considered a zoning violation or other illegal trespass onto the neighboring property. The actual number of feet allowed is dependent on the type of property on which the improvement is constructed, e.g., agricultural, commercial, or residential property. The law also provides a clear allocation of responsibility for maintenance and repair of, and liability for, damages resulting from the intruding improvement.

This measure attempts to resolve issues that have arisen in situations where property is owned by an owners association and its use cannot be readily determined. This bill provides that the de minimis structure position discrepancy that applies is the discrepancy that applies to the abutting property.

However, your Committee finds that existing law already provides zoning classifications that may be readily applied to the property specified in this bill. In addition, the proposed solution may change existing property interests and expectations of landowners.

The interested parties worked together and presented to your Committee a compromise to address these concerns, which takes an alternative approach that focuses on liability and maintenance issues. Your Committee believes this compromise resolves the

issues at hand and has amended the bill accordingly. Your Committee has also amended this bill by removing its July 1, 2099, effective date and making the bill effective upon approval.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 374, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 374, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Herkes, Caldwell, Ito, Kanoho, M. Oshiro and Souki.

SCRep. 955 Water, Land Use, and Hawaiian Affairs on S.B. No. 548

The purpose of this bill is to address the problem of agricultural theft involving firearms by clarifying that the possession of a rifle or shotgun and ammunition is limited to lawful hunting or lawful target shooting.

Testifying in support of this measure were the Department of Agriculture, Hawaii Farm Bureau Federation, Maui County Farm Bureau, Kauai County Farm Bureau, Hawaii Cattlemen's Council, Inc., K.K. Ranch, Inc., and Haleakala Ranch Company.

Ranchers are faced with weapons-carrying trespassers who steal or kill livestock. Unless these trespassers are caught in the act, they are only charged with criminal trespass, which is a petty misdemeanor that serves as no deterrent at all.

This bill seeks to discourage violations such as poaching by making the possession of firearms while engaged in unlawful hunting or target shooting susceptible to stiffer penalties.

As affirmed by the record of votes of the members of your Committee on Water, Land Use, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 548 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Kaho'ohalahala, Evans and Thielen.
(Representative Bukoski voted no.)

SCRep. 956 Education on S.B. No. 6

The purpose of this bill is to appropriate funds for coaches' stipends.

The Department of Education and Athletic Directors and Coaches Association submitted testimony in support of this bill.

Your Committee finds that the Legislature approved funding for coaches' stipends in 2001. However, the second increment of the two-step funding process was never allocated. This bill will provide funding for the second increment of the funding.

Your Committee has amended this bill by:

- (1) Including funding for raises for assistant athletic directors; 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 S.B. No. 6, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 6, S.D. 1, H.D. 1, and be referred to the Committee on Labor and Public Employment.

Signed by all members of the Committee except Representatives Kahikina, Morita, Schatz, Leong and Ontai.

SCRep. 957 Transportation on S.B. No. 676

The purpose of this bill is to exempt from the requirements for removing and shipping vehicles motor vehicle rental companies that periodically ship ten or more vehicles interisland or out-of-State.

Dollar Rent A Car and Catrala-Hawaii testified in support of this measure.

Your Committee finds that car rental companies often face a heavy clerical burden because of the documentation required to ship vehicles interisland or out-of-State. Exempting these companies from the requirements will help to alleviate their burden as well as facilitate the transportation of vehicles in an efficient manner.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 676 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 958 Transportation on S.B. No. 1404

The purpose of this bill is to:

- (1) Allow the counties to assess impact fees for the State to fund state highway improvements; and
- (2) Establish the Highway Development Special Fund into which these impact fees shall be deposited and to be used, in part, for the capital costs of state highway improvements.

The Department of Transportation (DOT), Department of Planning and Permitting of the City and County of Honolulu, and Land Use Research Foundation of Hawaii testified in support of this bill.

Impact fees are a type of assessment on proposed developments used to incrementally fund a fair share of capital improvements needed to serve such developments. According to DOT, one county has already adopted ordinances to help pay for

state highway improvements through the collection of impact fees. Your Committee finds that through this collaborative effort between the State, counties, and private sector, the State has been able to increase the efficiency and timeliness of highway improvement projects for new developments.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1404, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Pendleton.

SCRep. 959 Consumer Protection and Commerce on S.B. No. 1324

The purpose of this bill is to improve the Medical Claim Conciliation Panel (MCCP) process in which medical tort claims are reviewed by MCCP before they may be pursued through the judicial system. Specifically, this bill:

- (1) Attempts to give the claimant or claimant's attorney (claimant) a clearer understanding of a claim's issues and merit by:
 - (A) Requiring the claimant to file a certification along with the claim, that based on a consultation with a physician the claimant believes there is reasonable and meritorious cause for the claim;
 - (B) Mandating that the claimant make at least three good faith attempts to consult with a licensed physician in the same medical specialty as the professional against whom the claim is made, or if the claimant is unable to so consult, with a licensed physician knowledgeable and experienced in a medical specialty that is as closely related as practicable; and
 - (C) Giving claimants who did not have enough time to file a certification with the claim because of the statute of limitations, 90 days from the date of filing to obtain a consultation and submit the certification;
- (2) Requiring that claimants first file their claim with MCCP, but thereafter giving the parties the option of agreeing to submit the claim to an alternative dispute resolution (ADR) provider; and
- (3) Reducing the processing time for MCCP and ADR claims by requiring the MCCP and ADR proceedings be completed in 12 months instead of 18 months.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs, Judiciary, and Hawaii Medical Association. The Consumer Lawyers of Hawaii voiced several concerns with the bill.

Your Committee finds that an increasing number of baseless claims have been filed with MCCP. This results in increased costs and expenses for health care providers and health care facilities that must defend against the claims. These cost increases are reflected in higher medical malpractice insurance premiums, and ultimately, in higher costs of health care services to the public.

Upon consideration, your Committee has amended this bill to reflect the substance of H.B. No. 1171, H.D. 1. As amended, this bill:

- (1) Allows a claimant to consult with any licensed physician when the claimant is unable to consult with a physician in the same medical specialty as the health care professional against whom the claim has been made;
- (2) Removes the undefined requirement of a "good faith" attempt to consult;
- (2) Allows a claimant to file a certification that the claimant made two separate attempts to consult with two separate physicians, and that none would agree to provide a consultation; and
- (3) Changes the effective date of the bill to July 1, 2050, to encourage further discussion and resolution of the issues.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1324, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1324, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Herkes, Ito, Kanoho, M. Oshiro and Souki.

SCRep. 960 Consumer Protection and Commerce on S.B. No. 1077

The purpose of this bill is to codify existing practices of the Insurance Commissioner with regard to processing of applications for certification of continuing education courses and course providers.

Testimony in support of this bill was submitted by the Hawaii Independent Insurance Agents Association, National Association of Insurance and Financial Advisors Hawaii, and the Professional Insurance Agents of Hawaii. The Insurance Commissioner and Continuing Education Advisory Committee testified in support and suggested two amendments.

Your Committee finds that quality continuing education programs for Hawaii's insurance licensees are necessary if they are to compete with professionals from other states in the current insurance business world, which is evolving into an interstate business. Quality programs will also allow insurance professionals to meet educational requirements of other states and conduct business in other states more efficiently.

Your Committee concurs with the Insurance Commissioner's assertion that it is important to provide additional time to process continuing education course provider certificate renewal notices filed later in the year. Your Committee believes this will conserve resources by preventing the need for additional positions and funding.

Thus, your Committee has amended the language in this bill that states that provider certificates will expire on July 1 of the calendar year following the year the application for the certificate was received, by adding language that:

- (1) Delays the expiration date of initial applications for a certificate received in the months of July through December, to the second calendar year following the year the application was received; and
- (2) Provides that thereafter, certificates may be renewed by application for a period of one year beginning July 1 and ending on July 1 of the following calendar year.

Technical, nonsubstantive amendments have also been made for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1077, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1077, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Ito, Kanoho, M. Oshiro and Souki.

SCRep. 961 Consumer Protection and Commerce on S.B. No. 1315

The purpose of this bill is to:

- (1) Designate the Motor Vehicle Insurance Fraud Investigations Unit of the Department of Commerce and Consumer Affairs (DCCA), a branch rather than a unit of the Insurance Division;
- (2) Clarify the authority of the Insurance Fraud Investigations Branch (Branch) to not only hire but also retain by contract various professionals for the investigation and prosecution of insurance fraud;
- (3) Allow investigator assistants and auditors to apply for and execute search warrants and act as process servers; and
- (4) Require the Branch to implement an insurance fraud educational program for the public and industry.

Testimony in support of this measure was received from DCCA.

Your Committee has determined that these changes are necessary to strengthen the Insurance Division's ability to prevent and combat motor vehicle insurance fraud.

Your Committee has amended this bill by making conforming amendments to sections 431:2-204 and 431:10C-307.7, Hawaii Revised Statutes, that change "fraud investigations unit" to "fraud investigations branch."

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1315, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1315, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Ito, Kanoho, M. Oshiro and Souki.

SCRep. 962 Consumer Protection and Commerce on S.B. No. 1262

The purpose of this bill is to increase fairness and openness in the procurement process and ensure that in-state contractors win state contracts by:

- (1) Requiring contractors to be incorporated or organized under the laws of the State of Hawaii;
- (2) Leveling the playing field between local contractors and out-of-state contractors by requiring all offerors on state contracts to demonstrate compliance with all state employment laws;
- (3) Making a related amendment that repeals section 103D-1007, Hawaii Revised Statutes (HRS), the so-called state taxpayer preference;
- (4) Mandating the establishment of a Hawaii Procurement Institute in cooperation with the University of Hawaii William S. Richardson School of Law, to among other things, improve the procurement laws and provide education and training for Hawaii's contractors;
- (5) Amending section 103D-304, HRS, relating to procurement of professional services by:
 - (A) Specifying that the names of members of the review committee that prepares a list of qualified professional services providers shall be public information placed in the contract file;
 - (B) Requiring that an independent selection committee rank professional service providers according to specified criteria, and that the head of the purchasing agency negotiate with providers according to that ranking;
 - (C) Requiring an equal distribution of work among providers that have the same qualifications; and
 - (D) Providing that services of design professionals such as architects and engineers shall only be procured under the section or through emergency procurement procedures;

and
- (6) Requiring that a pre-bid conference be held for every construction or design-build project with an estimated contract value of \$100,000 or more.

Testimony in support of this bill was provided by the American Society of Civil Engineers, Pacific Structural Consultants, Inc., Pacific Geotechnical Engineers, Inc., and a concerned individual.

Testimony in support of the bill and requesting amendments was submitted by the American Council of Engineering Companies, Dennis K. Hanatani, Inc., American Public Works Association, Tanimura & Associates, Inc., Parsons Brinckerhoff, Masa

Fujioka & Associates, Moss Engineering, Miyasato Kuniyoshi Engineers, LLC., Delwin Ching, Austin, and Tsutsumi & Associates, Inc.

Testimony in support of the intent of the bill and requesting amendments was provided by the Department of Accounting and General Services and the State Procurement Office.

The County of Hawaii Department of Finance and the City & County of Honolulu Department of Budget and Fiscal Services provided testimony in opposition to this bill.

The County of Kauai Department of Water commented on the bill.

Your Committee heard testimony that administrative rules already allow for optional pre-bid and pre-proposal conferences that may be made mandatory depending on the procurement. Those testifying stated that requiring pre-bid and pre-proposal conferences for all contracts with a total estimated value of \$100,000 or more would represent a large segment of projects and would burden government agencies. Amendments to restrict applicability of the provision were requested.

Other concerns were voiced that limiting acquisition of design professional services to only sections 103D-304 and 103D-307, HRS, might limit procurement of these services to "nonbid" contracts, and that allegations of abuses in the nonbid procurement of these services had recently generated controversy.

Your Committee also finds that many companies that have been doing business in the State for a long time are incorporated or organized under the laws of a state other than Hawaii. In addition, your Committee recently received an opinion from the Department of the Attorney General raising concerns about the legality of requiring a business to be incorporated or organized under the laws of the State of Hawaii.

Your Committee finds that small business, qualified rehabilitation programs (QRPs) and other similar groups should be extended a preference under the Procurement Code (Code). However, your Committee realizes that it is unclear what groups will be positively or negatively affected by these set-asides and preferences.

Upon consideration of these and other matters, your Committee has amended this bill by replacing its contents with the substance of H.B. No. 1103, H.D. 1. The amendments made to this bill:

- (1) Remove, among other things, the requirement:
 - (A) Of a pre-bid conference;
 - (B) That offerors be organized under and in compliance with state law;
 - (C) That design services be procured only under section 103D-304, HRS, or emergency procurement procedures; and
 - (D) That the selection committee ensure equal distribution of contracts among professional services providers that have the same qualifications;
- (2) Mandate a study by DAGS, in cooperation with the State Procurement Office, Procurement Policy Board, and representatives of business, county procurement agencies, QRPs, and other groups potentially suitable for and interested in being provided preferences under the Code, that would, among other things:
 - (A) Define "small business" and "preference";
 - (B) Determine whether groups including but not limited to small businesses, QRPs, native Hawaiians, women-owned businesses, veterans and minority-owned businesses, should be included in any preference under the Code;
 - (C) Determine the impact of any proposed preference or set-aside on other potential Code contractors; and
 - (D) Result in the development of proposed legislation to be submitted to the Legislature prior to the Regular Session of 2004;
- (3) Remove architects, landscape architects, professional engineers, and land surveyors from the definition of "professional services" under the Code, and designate them instead, "design professional services";
- (4) Establish separate procurement procedures for design professional services that are similar to those under section 103D-304, HRS, and meet federal procurement standards for these services;
- (5) Allow nonselected professional service providers and unsuccessful competitive sealed bid offerors to request a debriefing; and
- (6) Change the effective date to July 1, 2050 to encourage further discussion of the issues.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1262, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1262, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Chang, Ito, Kanoho, M. Oshiro and Souki.

SCRep. 963 Transportation on S.B. No. 719

The purpose of this bill is to assist the aquaculture industry by requiring the Department of Transportation (DOT) to adopt a reduced rate schedule for dockage, wharfage, demurrage, and other rates and fees pertaining to all harbors, wharves, and other properties for Hawaii enterprises engaged in aquaculture.

The Hawaii Aquaculture Association and Cates International, Inc., testified in support of this bill. DOT supported the intent of this measure. The Department of Agriculture submitted comments.

In 1999, in an attempt to diversify Hawaii's economy, the Legislature allowed for the leasing of state marine waters for commercial aquaculture. Since that time, two leases have been authorized, and one is currently in commercial production. The current commercial operation is proving to be an enormous success with the generation of a large supply of fish with minimal environmental impact. In fact, the only commercial maritime-based aquaculture operator produces approximately 5,000 pounds of fish per week and is presently contemplating increasing production to 10,000 pounds per week to keep up with the demand.

However, your Committee finds that one unanticipated bottleneck to the expansion of aquaculture through open-ocean farming is the availability of land-based facilities at reasonable costs near harbors for critical industry support activities, such as equipment storage, fish packing, and transportation. Current uses, fees, and zoning are prohibitive for this type of activity to use appropriate sites.

Although your Committee understands the concerns raised by DOT about the difficulty of determining actual costs to DOT for the operational and maintenance fees for harbor areas that would serve aquacultural activities and realizes that these costs would fluctuate constantly, making it difficult to negotiate long-term contracts, your Committee finds that the aquaculture industry is poised to develop into a strong and viable industry. The benefits reaped from assisting in the development of this industry would far outweigh the difficulties DOT may experience in the reduction of harbor fees for aquaculture enterprises. Your Committee notes that the expansion of aquaculture would provide an economic boon to the State, with a large potential for increased investment dollars for the State and the generation of jobs.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 719 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 964 Transportation on S.B. No. 1403

The purpose of this bill is to provide the Harbors Division of the Department of Transportation (DOT) with greater flexibility to develop its harbor lands and facilities to a broader spectrum of users, subject to the approval of the Board of Land and Natural Resources.

DOT and the Maritime Committee of the Chamber of Commerce of Honolulu testified in support of this measure.

Hawaii is the most maritime state in the nation and critically dependent on state harbors and harbor infrastructure for the receipt of life-sustaining supplies. State harbors also help drive the economy, especially with the rapidly growing interest in the cruise industry. The growing numbers of cruise ships stopping in Hawaiian waters, as well as an increase in ocean tourism industries, aid in the diversification of harbor revenues. Your Committee finds that through this diversification of revenues, DOT is able to maintain wharfage fees and other costs at a more stable level, thus keeping the cost of goods in Hawaii more stable for consumers.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1403 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Pendleton.

SCRep. 965 Transportation on S.B. No. 1657

The purpose of this bill is to provide support for various programs that provide parking assistance to disabled persons by:

- (1) Establishing the Parking For Persons With Disabilities Special Fund (Special Fund) to provide funds for:
 - (A) Administration of the statewide Parking for Disabled Persons Program (Program);
 - (B) Payment to the counties for administrative costs related to the issuance of permits to qualified persons with disabilities;
 - (C) Payment to the counties for the implementation of a volunteer parking enforcement program; and
 - (D) Any other purpose deemed necessary by the Disability and Communication Access Board that relates to the Program;
 and
- (2) Raising the annual state registration fee for vehicles and motor vehicles to \$20.70, with 70 cents of each fee transferred to the Special Fund.

The Honolulu Police Department, Advocates for Consumer Rights, and a concerned individual supported this bill. The Department of Budget and Finance opposed this measure.

Upon further review, your Committee has amended this measure by deleting its contents and inserting the provisions of H.B. No. 1572, H.D. 3. As amended, this bill, among other things:

- (1) Authorizes a law enforcement officer, and a commissioned volunteer enforcement officer during normal business hours, to access the property of a private entity to enforce disabled-parking laws;
- (2) Prohibits parking in the access aisles adjacent to disabled parking spaces;
- (3) Defines "removable windshield placard" to mean a two-sided, hanger-style placard issued to a person with a disability who presents a certificate of disability that verifies that the applicant's disability is expected to last for at least four years;
- (4) Defines "temporary removable windshield placard" to mean a two-sided, hanger-style placard issued to a person with a disability who presents a certificate of disability that verifies the person's disability in monthly increments, which shall not exceed six months;
- (5) Repeals certain restrictions and requirements relating to the issuance of removable windshield placards, temporary removable windshield placards, and identification cards;

- (6) Repeals the provision allowing a county to charge a replacement fee to be paid to the issuing agency when a placard is lost;
- (7) Increases from a petty misdemeanor to a misdemeanor the penalty for fraudulent manufacture, alteration, or use of a placard or identification card;
- (8) Repeals the provision that any vehicle displaying special license plates, a removable windshield placard, or a temporary removable windshield placard displaying the international symbol of access shall be permitted to park in any metered or unmetered parking space for a specified time without paying metered parking fees;
- (9) Expands the list of parking infractions involving the use or failure to use removable windshield placards, temporary removable windshield placards, or special license plates; and
- (10) Establishes that when citations for the illegal use of a parking space reserved for disabled persons are refused, the citations shall be sent by certified or registered mail, with a return receipt that is postmarked within 72 hours of the time of the incident, to the registered owner of the vehicle.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1657, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1657, S.D. 1, H.D. 1, and be referred to the Committees on Health and Human Services and Housing.

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

SCRep. 966 Water, Land Use, and Hawaiian Affairs on S.B. No. 235

The purpose of this bill is to establish a temporary, nonrefundable tax credit for qualified costs incurred in the development of law enforcement, emergency medical services, and public safety training facilities on state land at Kalaeloa, Oahu.

DynCorp, the Criminology and Justice Department of Chaminade University, Department of Information and Computer Sciences of the University of Hawaii at Manoa, and two concerned citizens supported this bill. The Department of Public Safety supported the intent of this bill. The Tax Foundation of Hawaii and Department of Taxation offered comments.

Your Committee notes that this measure provides tax incentives for facilities that will improve the effectiveness of our law enforcement and homeland security agencies.

Your Committee has amended this measure by:

- (1) Changing the effective date to January 1, 2005, to promote 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 Water, Land Use, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 235, S.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 235, S.D. 3, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kaho'ohalahala and Thielen.

SCRep. 967 Public Safety and Military Affairs on S.B. No. 1479

The purpose of this bill is to ensure that Hawaii's veterans' cemeteries are maintained at the level they deserve by appropriating sufficient funds for this purpose.

Currently, there are seven county veterans' cemeteries on the Neighbor Islands, and the Hawaii State Veterans Cemetery is located in Kaneohe, Oahu. Because the State contributes less than 20 percent of the operating costs of the county cemeteries, each county must shoulder the majority of the costs to maintain these facilities. As a result, inadequate funds are available to properly care for these cemeteries. In addition, the Hawaii State Veterans Cemetery has also fallen into serious disrepair.

The Disabled American Veterans, Department of Hawaii; Oahu Veterans Council; County of Hawaii Department of Parks and Recreation; and a member of the Kauai County Council testified in support of this bill. The Department of Defense also supported this bill, provided that its passage does not adversely affect its priorities contained in the Executive Budget.

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 S.B. No. 1479, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Souki.

SCRep. 968 Legislative Management on S.B. No. 427

The purpose of this bill is to expedite the public's access to government records by:

- (1) Requiring agencies that maintain government records in an electronic format to make such records available in an electronic format upon payment of a reasonable fee;
- (2) Authorizing agencies to provide read-only access to government records by remote electronic means; and
- (3) Changing the cost of reproducing paper copies of any government record from not less than 5 cents per page to not more than 25 cents per page; provided that the document page size does not exceed eight and one-half inches by fourteen inches.

The American Civil Liberties Union of Hawaii, Life of the Land, and a concerned individual testified in support of this measure. The Office of Information Practices (OIP) offered comments.

Your Committee respectfully requests the Committee on Judiciary to carefully scrutinize OIP's suggested amendments to this bill.

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 S.B. No. 427, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Saiki.

SCRep. 969 Transportation on S.B. No. 51

The purpose of this bill is to authorize the Director of Transportation to grant an intrastate waiver for insulin users to obtain a commercial drivers' license (CDL).

The Department of Transportation and Hawaii Transportation Association testified in support of this measure. A concerned citizen offered comments on this measure.

Under current law, insulin users are prohibited from obtaining a CDL. This presents a problem for diabetic individuals looking to obtain a job that requires a CDL. Drivers who have already obtained a CDL and currently are employed in a job requiring the use of their CDL are faced with a greater dilemma if they are diagnosed with insulin dependent diabetes. These drivers often face a difficult choice:

- (1) Either take their insulin and give up their job; or
- (2) Not take insulin and retain their job, but leave their diabetes untreated.

Your Committee finds that employees having to choose between their health and livelihood is unacceptable. Your Committee further notes that medical advances regarding the treatment of diabetes have made these blanket prohibitions unnecessary.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 51 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 970 Transportation on S.B. No. 1406

The purpose of this bill is to eliminate the use of Social Security numbers on Hawaii commercial driver's licenses (CDL).

The Department of Transportation and Department of Customer Services of the City and County of Honolulu testified in support of this measure.

Since 2001, Hawaii driver's licenses have been issued with a computer-generated driver license number rather than the driver's Social Security number. However, CDLs retained the old system of using Social Security numbers as the driver license number. This measure brings the CDL process into conformity with the elimination of the use of Social Security numbers on motor vehicle driver's licenses.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1406 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Pendleton.

SCRep. 971 Transportation on S.B. No. 1407

The purpose of this bill is to establish commercial driver's license reciprocity with other states and Canadian provinces by waiving the commercial driver's license (CDL) knowledge and skills test for any person who is twenty-one years of age with a valid state or Canadian CDL issued in compliance with federal standards.

The Department of Transportation and Department of Customer Services of the City and County of Honolulu testified in support of this measure.

Since all states are required to issue CDLs that meet minimum federal requirements, your Committee finds that the issuance of a CDL through reciprocity will be successful and not place the public in any danger. Other states also accept Canadian CDLs since that nation also tests its drivers based upon the United States' minimum federal requirements. Moreover, licensing offices in the United States and Canada already share driver status and conviction information on commercial vehicle operators. Your Committee finds that since other states and Canada follow the same requirements for CDL licensure as Hawaii, it is unnecessary to require persons holding a CDL from other states or Canada to undergo further testing to obtain a Hawaii CDL.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1407 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Pendleton.

SCRep. 972 Consumer Protection and Commerce on S.B. No. 373

The purpose of this bill is to establish, with exceptions, the time at which the purchaser of a condominium unit in a judicial or nonjudicial foreclosure is considered to have acquired title to the apartment and becomes liable for delinquent condominium association common assessments and expenses.

Testimony in support of this bill was submitted by the Community Associations Institute. The Hawaii Council of Association of Apartment Owners and Hawaii Financial Services Association testified in support of the intent of this bill. The Mortgage Bankers Association of Hawaii supported the intent of the bill and suggested amendments.

Your Committee finds that the Legislature amended section 514A-90, Hawaii Revised Statutes (HRS), in 1999 to specify that the purchaser of an apartment at a judicial foreclosure acquires title to the apartment and becomes responsible for delinquent maintenance fees on the earlier of 36 days after the order confirming the sale is filed with the court, or 60 days after the court grants the motion to confirm the sale.

Before these specific cutoffs were established, lenders participating in the judicial foreclosure of a condominium unit could avoid an apartment owner's liability for maintenance fees by delaying the recording of a foreclosure deed or the entry of an order to confirm foreclosure. As a result, the condominium association would have no choice but to absorb the unpaid maintenance fees during the delay.

Your Committee finds that current law fails to establish a cutoff for nonjudicial power of sale foreclosures. This bill addresses this omission. The bill also further clarifies the law relating to judicial and nonjudicial foreclosures by providing exceptions to the cutoffs, where title does not transfer to the purchaser of an apartment because of delays caused by certain motions, objections, and appeals, or by the bankruptcy of a party -- events that are a normal part of judicial and nonjudicial foreclosure proceedings.

To further resolve ambiguities in this bill, your Committee has made amendments that:

- (1) Eliminate repetition and reduce confusion by consolidating the exceptions into a single unit;
- (2) Provide that the exceptions are triggered when the specified events delay foreclosure proceedings past the stated time periods for the cutoffs in the statute;
- (3) Specify that when an exception is triggered, the purchaser of the apartment is deemed to acquire title upon recordation of the instrument of conveyance;
- (4) Clarify that the exception for a delay in foreclosure proceedings when a party to the foreclosure declares or is placed in bankruptcy, is limited to the bankruptcy of the debtor in the proceeding;
- (5) Replace "deed" with "instrument of conveyance" in order to include all transfers of property; and
- (6) Amend the bill's effective date to prevent the amendments made by this bill from being repealed when section 514A-90, HRS, is repealed and reenacted pursuant to section 4 of Act 39, Session Laws of Hawaii 2000, on December 31, 2003.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 373, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 373, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Herkes, Caldwell, Chang, Ito, M. Oshiro, Stonebraker and Thielen.

SCRep. 973 Consumer Protection and Commerce on S.B. No. 1261

The purpose of this bill is to allow purchases of goods and services by state and county agencies through the use of state-approved procurement cards.

The State Procurement Office and Department of Accounting and General Services testified in support of this bill.

Your Committee finds that the current system of paying for goods and services through the issuance of purchase orders and processing of invoices is cumbersome and incompatible with the goals of the State's Purchasing Card (pCard) program, which is currently being implemented to provide agencies with a more timely and efficient procurement system for small purchases. This measure will streamline purchase and payment processes and reduce attendant administrative burdens and costs.

For clarification, your Committee has amended this measure by defining a procurement card as a charge card utilized by government agencies for the purchase of goods and services in place of cash or purchase orders.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1261, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1261, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Caldwell, Chang, Ito, M. Oshiro, Stonebraker and Thielen.

SCRep. 974 Energy and Environmental Protection on S.B. No. 29

The purpose of this bill is to protect our environment from the improper disposal of cathode ray tubes (CRTs) by requiring the Department of Health (DOH) to adopt rules for a Cathode Ray Tube Special Waste Disposal Program.

CRTs, which are found in outdated computer equipment and television sets, contain traces of lead, phosphorous, cadmium, barium, and mercury. These elements are hazardous and pose a serious environmental risk if CRTs are broken.

DOH, Sierra Club, Covanta Energy Group, Hawaii Chapter, Life of the Land, and several individuals testified in support of this measure.

Your Committee has amended this bill by:

- (1) Providing that no person may "knowingly" place a used CRT in a landfill, municipal solid waste landfill or incinerator, or in mixed municipal solid waste;
- (2) Requiring the owner or operator of a landfill, solid waste disposal facility, or incinerator to:

- (A) Post signs at the facility to inform customers that the disposal and combustion of CRTs are prohibited;
 - (B) Inform their customers about the prohibition of CRT disposal through written notification or contractual agreements, as determined by DOH; and.
 - (C) Provide information to their customers about collection programs and facilities that are permitted to accept CRTs for recycling or disposal;
- and
- (3) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 29, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 29, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 975 International Affairs on S.B. No. 317

The purpose of this bill is to honor and recognize those Korean War Veterans who served and sacrificed for their country by appropriating an unspecified amount of funds to enable the Korean War Commission to complete its commemoration of the 50th anniversary of the Korean War.

The United States Congress designated June 25, 2000, to November 11, 2003, as the official commemoration period for the 50th anniversary of the Korean War. As 2003 is the final year of this commemoration period, a variety of events are scheduled in Hawaii to recognize the men and women who served in Korea.

The Office of Veterans Services; The Chamber of Commerce of Hawaii; Aloha Chapter of the Chosin Few, Inc.; Korean War Veterans Association, Hawaii Chapter #1; members of the 50th Anniversary Commemoration of the Korean War Commission; Society of Military Widows; Maui No Ka Oi Chapter 282, Maui; members of the 5th Regimental Combat Team, Korean War Veterans, Hawaii; and numerous individuals testified in support of this measure.

Your Committee supports this measure because it allows us to honor those Korean War Veterans who risked their lives, were killed in action, remain missing in action, or have since passed away. Your Committee further believes that it is necessary to provide the public with a clearer understanding and appreciation of the lessons, history, and legacy of the Korean War, and the military's contribution in maintaining world peace and freedom.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 317, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takai, Kahikina, Finnegan, Stonebraker, Kawakami and Nakasone.

SCRep. 976 Higher Education on S.B. No. 343

The purpose of this bill is to authorize the issuance of special purpose revenue bonds (SPRBs) for Chaminade University.

The Hawaii Association of Independent Schools, Chaminade University, and an individual submitted testimony in support of this bill.

Your Committee finds that this bill will enable Chaminade University to finance a variety of campus projects, including new and remodeled student housing, classrooms, and office space. Your Committee finds that these projects serve a public purpose and the use of SPRBs for financing is appropriate.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 343 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, Hale, Kahikina, Takumi and Ching.

SCRep. 977 Higher Education on S.B. No. 748

The purpose of this bill is to establish a Nursing Education Loan Program (Program) under the University of Hawaii (UH) that:

- (1) Provides loans for students in eligible nursing programs; and
- (2) Allows loans provided under the Program to be forgiven incrementally with the completion of service requirements as a registered nurse in Hawaii.

The Hawaii Nursing Association submitted testimony in support of this bill. The UH-Manoa School of Nursing and Dental Hygiene and Hawaii Government Employees Association submitted testimony in support of the intent of this bill.

Your Committee finds there is a serious nursing shortage that affects patient care and nurse morale in the State. This bill will aid both in recruiting nursing students and retaining nurses in Hawaii.

Your Committee has amended this bill by deleting its contents and inserting provisions that:

- (1) Establish the Program and the Nursing Education Loan Program Special Fund (Special Fund) to be administered by UH to provide loans to nursing education students in state-approved nursing education programs;

- (2) Specify that loans under the Program shall bear interest at five percent simple interest;
- (3) Allow UH to use up to five percent of the moneys in the Special Fund to administer the Special Fund;
- (4) Require one tenth of the loan amount plus interest to be forgiven for the first five years, and the remaining amount of the loan plus interest to be forgiven following the sixth year, that a loan recipient works as a nurse in Hawaii;
- (5) Appropriate moneys into the Special Fund; and
- (6) Appropriate moneys for nursing faculty at UH.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 748, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 748, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Hale, Kahikina, Takumi and Ching.

SCRep. 978 Water, Land Use, and Hawaiian Affairs on S.B. No. 381

The purpose of this bill is to appropriate an unspecified amount from the general fund for the payment of monetary damages to claimants whose claims were adjudicated by the Hawaiian Home Lands Trust Individual Claims Review Panel.

The Office of Hawaiian Affairs, Davis, Levin, Livingston & Grande attorneys, Hawaiian Political Action Council of Hawaii, and numerous concerned individuals testified in support of this measure. The Department of Hawaiian Home Lands submitted testimony supporting the intent of this bill.

The legitimacy of pure wait list claims was a subject of committee discussion and concern. Your Committee chair will continue to address this controversial question with the House Finance Committee.

As affirmed by the record of votes of the members of your Committee on Water, Land Use, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 381, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kaho'ohalahala and Bukoski.

SCRep. 979 Water, Land Use, and Hawaiian Affairs on S.B. No. 39

The purpose of this bill is to establish a temporary advisory task force to develop a mechanism for the transfer of all state parks, together with all state park functions and funds, to the counties.

The Department of Land and Natural Resources supported this bill. Na Leo Pohai, the public policy affiliate of The Outdoor Circle, supported the intent of this measure. The Hawaii Government Employees Association opposed the bill. A member of the Maui County Council submitted comments.

Your Committee believes that the ultimate transfer of all state parks, together with their functions and funding, to the counties is in the best interest of the State.

As affirmed by the record of votes of the members of your Committee on Water, Land Use, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 39, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kaho'ohalahala and Thielen.

SCRep. 980 Water, Land Use, and Hawaiian Affairs on S.B. No. 528

The purpose of this bill is to transfer from the County of Hawaii to the State, certain lands upon which public school facilities are situated and any improvements thereon.

The Department of Education (DOE) supported this bill. The Mayor of the County of Hawaii supported this bill with amendments. The Board of Land and Natural Resources opposed this bill.

Act 97, Session Laws of Hawaii 1965, transferred the responsibility for planning, construction, improvement, and maintenance of public school facilities to the State. Your Committee finds that it is an appropriate time to transfer all remaining county land and improvements under the operation of DOE to the State.

Your Committee has amended this bill by:

- (1) Removing the appropriation section for the purpose of further discussion; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Water, Land Use, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 528, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 528, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kaho'ohalahala, Thielen, Kaho'ohalahala and Bukoski.

SCRep. 981 Water, Land Use, and Hawaiian Affairs/Energy and Environmental Protection on S.B. No. 552

The purpose of this bill is to encourage landowners to make their property available to other persons to control or eradicate invasive species by limiting landowners' liability toward such persons who have entered the property for such purposes.

The Department of Land and Natural Resources, Department of Agriculture, Pineapple Growers Association of Hawaii, Maui Invasive Species Committee, and Na Leo Pohai - Public Policy Affiliate of The Outdoor Circle testified in support of this bill. The Nature Conservancy of Hawaii and Consumer Lawyers of Hawaii supported this measure with amendments.

Your Committees have amended this bill by:

- (1) Removing the term "volunteer";
- (2) Entitling chapter 520A as "LANDOWNER'S LIABILITY FOR ACCESS TO CONTROL INVASIVE SPECIES";
- (3) Excepting from the limited liability coverage, liability that would otherwise exist:
 - (A) For wilful or malicious failure to guard or warn against:
 - (i) A dangerous condition, use, or structure that the landowner knowingly creates or perpetuates; or
 - (ii) A dangerous activity that the landowner knowingly pursues or perpetuates; or
 - (B) For injury suffered in any case where the landowner charges the person who enters or goes on the land for the control or eradication of invasive species; provided that lease rent paid by the government to a landowner shall not be deemed a charge;
- (4) Deleting the limited liability coverage of a landowner who is required by law to provide access through or across the owner's property to reach property used by volunteers as part of a habitat conservation plan or safe harbor agreement; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity, style, and conformity.

As affirmed by the records of votes of the members of your Committees on Water, Land Use, and Hawaiian Affairs and Energy and Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 552, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 552, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Kaho'ohalahala, Evans and Thielen.

SCRep. 982 Human Services and Housing on S.B. No. 864

The purpose of this bill is to minimize employee turnover and provide more effective services to at-risk children by converting 39 temporary exempt positions within the Child Welfare Services branch of the Department of Human Services (DHS) to civil service status.

The Child Welfare Services State Advisory Council supported this bill. The Department of Budget and Finance opposed this bill. DHS offered comments.

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 S.B. No. 864, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hale, Kawakami, Takumi and Stonebraker.

SCRep. 983 Human Services and Housing on S.B. No. 1283

The purpose of this bill is to repeal the subparts of chapter 201G, Hawaii Revised Statutes (HRS), that establish the Housing Alteration Revolving Loan Fund (Loan Fund) for Persons with Physical Disabilities program and the Hawaii Development Revolving Fund (Revolving Fund) program.

The Housing and Community Development Corporation of Hawaii (HCDCH) testified in support of this measure.

Your Committee finds that when Act 178, Session Laws of Hawaii 2002, repealed the Loan Fund and Revolving Fund, other provisions establishing the Loan Fund and Revolving Fund programs in the HRS were not repealed.

Your Committee has amended this bill by:

- (1) Inserting a provision that allows HCDCH to set the salaries of its executive director and executive assistant; 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 S.B. No. 1283, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1283, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hale, Kawakami, Takumi and Stonebraker.

SCRep. 984 Human Services and Housing on S.B. No. 1240

The purpose of this bill is to fairly compensate Medicaid health care providers and maintain access to essential health services for all Hawaii residents by requiring the Department of Human Services (DHS) to:

- (1) Withdraw its proposed amendments to the State Medicaid Plan that would:
 - (a) Pay only one-half of the Data Resource Index (DRI) McGraw-Hill inflation adjustment;

- (b) Discontinue the return on equity (ROE) program; and
- (c) Modify the grandfathered capital component in the State Medical Plan.

Withdrawing these amendments would prevent Medicaid payments to hospitals and nursing homes that provide care to the aged, blind, and disabled from falling further below levels that already are so low that they do not cover the actual costs of care provided;

- (2) Set Medicaid payments to health care providers at a level that would at least cover the actual costs of health care provided; and
- (3) Propose annual inflationary adjustments to the per capita payments, based on a factor that is generally accepted nationally.

Finally, this bill appropriates or authorizes funds for one-half of the DRI inflation factor and the ROE factor components of health care payments for aged, blind, and disabled Medicaid recipients.

The Hawaii Medical Service Association, Hawaii Pacific Health, Healthcare Association of Hawaii, Hawaii Long Term Care Association, and Drug Addiction Services of Hawaii, Inc., testified in support of this bill. The Department of Budget and Finance and DHS opposed this measure.

Your Committee has amended this bill by:

- (1) Inserting appropriations of \$1 for the purpose of continued 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 Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1240, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1240, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hale, Kawakami, Takumi and Stonebraker.

SCRep. 985 Human Services and Housing/Health on S.B. No. 974

The purpose of this bill is to support early childhood development and placement of children in quality child care settings by appropriating funds to:

- (1) Increase the number of child care subsidies provided through the Preschool Open Doors Program (Program);
- (2) Pay administrative expenses of the Program; and
- (3) Provide parent workshops to recipients of child care subsidies in each county.

The Hawaii Association for the Education of Young Children and Good Beginnings Alliance supported this bill. The Department of Education supported the intent of this bill. The Department of Human Services offered comments.

Your Committees have amended this measure by:

- (1) Changing the appropriation amount to \$1 to promote further discussion; 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 Human Services and Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 974, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 974, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hale, Kawakami, Takumi, Finnegan and Stonebraker.

SCRep. 986 Human Services and Housing/Health on S.B. No. 956

The purpose of this bill is to ensure early and continuous prenatal care through a cost-effective means to support low-income pregnant women by requiring the Department of Human Services (DHS) to presume that a pregnant woman applying for Medicaid or QUEST coverage for prenatal care or other pregnancy-related services is eligible for such coverage, provided that the applicant shows proof of:

- (1) An annual income at or below the maximum level allowed under federal law and the Medicaid section 1115 waiver approved for Hawaii; and
- (2) Pregnancy through a pregnancy test or a physical examination, as certified by a licensed health care provider.

The Hawaii State Commission on the Status of Women, Kapiolani Medical Center for Women and Children, Kokua Council, MothersCare for Tomorrow's Children, Big Island Malama A Ho'opili Pono Prenatal Consortia, and numerous concerned citizens supported this bill. Healthy Mothers, Healthy Babies Coalition of Hawaii and AlohaCare supported the intent of this bill. DHS opposed this bill. The Hawaii Medical Service Association offered comments.

Your Committees support efforts to facilitate and improve access to prenatal care for pregnant women. The implementation of presumptive Medicaid eligibility for pregnant women not only benefits women, but also serves the best interests of the State as less costly prenatal care helps prevent poor postnatal outcomes, such as low birth weight, that are extremely costly to treat.

Your Committees have amended this bill by:

- (1) Deleting the requirement that applicants show proof of an annual income at or below the maximum level allowed under federal law and the Medicaid section 1115 waiver approved for Hawaii;

- (2) Deleting the provision that reimbursement standards for prenatal care shall be based on established best practice standards of the American College of Obstetrics and Gynecology and replacing it with the provision that reimbursement standards for prenatal care shall be based on existing DHS standards;
- (3) Making this bill effective upon its approval; and
- (4) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 956, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 956, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 987 Human Services and Housing/Health on S.B. No. 78

The purpose of this bill is to protect the elderly by:

- (1) Authorizing the Attorney General to seek civil penalties on behalf of the State in cases involving the abuse or neglect of a dependent elder; and
- (2) Providing for enhanced civil remedies in private lawsuits arising from the abuse or neglect of a dependent elder.

The Department of the Prosecuting Attorney of the City and County of Honolulu, AARP Hawaii, Advocates for Nursing Home Justice, and a concerned citizen testified in support of this bill. The Hawaii Long Term Care Association, Hawaii Coalition of Care Home Administrators, Christian Science Committee on Publication for Hawaii, Hawaii Medical Association, and a concerned individual supported the intent of this measure. Another concerned individual submitted comments.

With the aging of Hawaii's population, elder abuse is becoming increasingly prevalent. This segment of our population has been subjected to abuse, neglect, and economic exploitation simply because they often depend on others for their care. The prevention, detection, and reporting of elder abuse are key in addressing this issue. Protecting our most vulnerable residents remains a high priority for our government and communities.

Your Committees find that a number of states have already enacted some form of elder-justice legislation in an attempt to deter and punish elder abusers and provide elder victims with appropriate compensation. Hawaii should follow suit and take steps to protect our elderly.

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 S.B. No. 78, S.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Hale, Kawakami, Takumi, Finnegan and Stonebraker.

SCRep. 988 Human Services and Housing on S.B. No. 1423

The purpose of this bill is to establish a Commission on Fatherhood (Commission) to make recommendations and create programs and services that promote healthy family relationships between parents and children and that are father-friendly.

Parents and Children Together, Hawaii Coalition for Dads, and Healthy Mothers, Healthy Babies testified in support of this measure. The Attorney General and Hawaii State PTSA supported the intent of this measure.

Your Committee finds that children that have healthy relationships with their fathers develop better socially and academically and are less likely to engage in risky behavior.

Your Committee has amended this bill by:

- (1) Placing the Commission within the Department of Health instead of the Office of the Governor;
- (2) Removing the provision that the members of the Commission serve at the pleasure of the Governor; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1423, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1423, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hale, Kawakami, Takumi and Stonebraker.

SCRep. 989 Human Services and Housing on S.B. No. 1068

The purpose of this bill is to extend from June 30, 2003, to June 30, 2007, the authorization to issue special purpose revenue bonds (SPRB) to assist the Honolulu Neighborhood Housing Services, Inc., in building a senior citizen lifecare retirement community.

The Department of Health (DOH) suggested an amendment.

Your Committee notes that DOH submitted a proposed amendment to amend the statute on the availability of medical records. DOH notes that the amendment is essential to comply with the federal Health Insurance Portability and Accountability Act to provide copies of records to a patient's next of kin.

Your Committee has amended this bill accordingly by:

- (1) Changing the lapse date of the SPRB issuance to June 30, 2008;

- (2) Inserting provisions to allow a patient's next of kin to obtain copies of the patient's medical records; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1068, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1068, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hale, Kawakami, Takumi and Stonebraker.

SCRep. 990 Public Safety and Military Affairs on S.B. No. 996

The purpose of this bill is to appropriate unspecified general funds to various substance abuse treatment programs of the Department of Public Safety (DPS) facilities statewide, including:

- (1) Substance abuse treatment for levels I and II minimum custody inmates at Halawa Correctional Facility;
- (2) The Crossroads substance abuse treatment program at Waiawa Correctional Facility;
- (3) Diagnostic drug assessment and drug screening programs at Maui Community Correctional Center and Kauai Community Correctional Center; and
- (4) The Project Bridge program at Maui Community Correctional Center.

The City and County of Honolulu Department of the Prosecuting Attorney, Community Alliance on Prisons, the American Civil Liberties Union of Hawaii, and a concerned individual testified in support of this measure. DPS opposed this bill because its passage would adversely affect its priorities contained in the Executive Budget.

Your Committee has amended this bill by:

- (1) Adding the Women's Community Correctional Center to the list of facilities in section 9; and
- (2) Making technical, nonsubstantive amendments for purposes of style and consistency.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 996, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 996, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Souki.

SCRep. 991 Energy and Environmental Protection/Transportation on S.B. No. 1239

The purpose of this bill is to encourage the use of biodiesel fuel as an important source of renewable energy. This bill:

- (1) Establishes the Biodiesel Fuel Revolving Fund to enable the State to purchase biodiesel fuel for use in government motor vehicles;
- (2) Encourages the use of biodiesel in the marine industry by:
 - (a) Allowing the delivery of biodiesel fuel to all harbors; and
 - (b) Allowing the installation of biodiesel fuel pumps to all state harbors;
- (3) Exempting biodiesel fuel from the fuel tax law; and
- (4) Prohibiting the disposal of grease or grease traps in any landfill.

Pacific Biodiesel, Inc., testified in support of this measure. The Department of the Attorney General, Department of Taxation (DOTAX), Department of Budget and Finance, and Tax Foundation of Hawaii offered comments. The Department of Health and the Department of Accounting and General Services opposed this bill.

Your Committees have amended this bill by:

- (1) Deleting the prohibition on disposing grease or grease traps in landfills. The inclusion of this provision violates the subject-title requirement of Article III, section 14 of the State Constitution;
- (2) Deleting the Biodiesel Fuel Revolving Fund due to uncertainty over the availability and application of alternative fuel vehicle acquisition credits;
- (3) Deleting the exemption of biodiesel fuel from the fuel tax law and inserting provisions from H.B. No. 1539, H.D. 1, which reduces the fuel taxes for ethanol, methanol, biodiesel, and other alternative fuels, except for liquefied petroleum gas. As stated earlier in House Standing Committee Report No. 94, the tax loss to the Department of Transportation's Highway Fund should be minimal. DOTAX testified that the expected loss of revenue would be approximately \$435 and not \$23,104 as had been earlier estimated;
- (4) Establishing a preference in public contracts for the use of biofuels which shall be equal to the per gallon fuel tax rates for alternative fuels. These provisions were taken from H.B. No. 1405, H.D. 1; and
- (5) Making technical, nonsubstantive amendments for purposes of consistency and clarity.

As affirmed by the records of votes of the members of your Committees on Energy and Environmental Protection and Transportation that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1239, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1239, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Kanofo, Bukoski, Nakasone, M. Oshiro, Moses and Pendleton.

SCRep. 992 Water, Land Use, and Hawaiian Affairs on S.B. No. 1495

The purpose of this bill is to appropriate an unspecified amount of state funds for fiscal year 2003-2004 to fund Phase 1 and Phase 2 of the Hawaii Drought Plan.

The Hawaii Farm Bureau Federation, Pineapple Growers Association of Hawaii, and Maui County Farm Bureau offered testimony in support of this measure. The Board of Agriculture supported the intent of this measure, but deferred to the Department of Land and Natural Resources (DLNR). DLNR opposed this measure.

Your Committee finds that droughts are potentially devastating to Hawaii's economy. It not only damages the agriculture and livestock industry, but also adversely affects our tourist industry, which is dependent on the State's natural beauty and verdant vegetation and forests.

As affirmed by the record of votes of the members of your Committee on Water, Land Use, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1495, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 993 Transportation on S.B. No. 684

The purpose of this bill is to improve and strengthen the statewide program on parking for persons with disabilities by:

- (1) Including "vascular" conditions and "extreme colitis" as a qualification for disabled parking privileges to recognize that other medical conditions other than the inability to walk more than 200 feet may require an individual to have closer access to a particular area;
- (2) Including the access aisles that are adjacent to parking spaces as part of the parking spaces for persons with disabilities;
- (3) Authorizing the replacement of stolen placards through the same procedure as replacement of lost or mutilated placards;
- (4) Clarifying that parking privileges for persons with disabilities apply to public parking spaces;
- (5) Lowering the penalty for failure to display the proper permit or identification card; and
- (6) Providing penalties for illegally parking in an access aisle adjacent to a parking space for a person with a disability.

The Honolulu Police Department and Disability and Communication Access Board testified in support of this measure.

Your Committee finds that violations of disabled parking laws continue to be a problem and often result in the inability of disabled individuals to complete daily activities. The statewide program on parking for persons with disabilities requires clarification to make it more effective in assisting these individuals.

Your Committee has amended this measure by deleting its contents and replacing it with the provisions of H.B. No. 1572, H.D. 3. As amended, this measure:

- (1) Authorizes a law enforcement officer, and, under certain conditions, a commissioned volunteer enforcement officer, to access the property of a private entity to enforce disabled parking laws;
- (2) Prohibits parking in access aisles adjacent to disabled parking stalls;
- (3) Defines "removable windshield placard" to mean a two-sided, hanger-style placard issued to a person with a disability who presents a certificate of disability that verifies that the applicant's disability is expected to last for at least four years;
- (4) Defines "temporary removable windshield placard" to mean a two-sided, hanger-style placard issued to a person with a disability who presents a certificate of disability that verifies the person's disability in monthly increments, which shall not exceed six months;
- (5) Repeals certain restrictions and requirements relating to the issuance of removable windshield placards, temporary removable windshield placards, and identification cards;
- (6) Repeals the provision allowing a county to charge a replacement fee to be paid to the issuing agency when a placard is lost;
- (7) Increases the penalty for fraudulent manufacture, alteration, or use of a placard or identification card from a petty misdemeanor to a misdemeanor.
- (8) Repeals references to the international symbol of access in the section allowing vehicles displaying this symbol or special license plates, a removable windshield placard, or a temporary removable windshield placard to park in any metered parking space for a specified time without paying meter fees;
- (9) Expands the list of parking infractions involving the use or failure to use removable windshield placards, temporary removable windshield placards, or special license plates;
- (10) Allows any citation refused by the violator to be mailed to the violator pursuant to summons or citation provisions under the Traffic Code; and

- (11) Provides that when a citation is mailed to a violator who has refused the citation, it must be sent by certified or registered mail that is postmarked within 72 hours of the time of the incident, subject to certain exceptions for Saturdays, Sundays, and holidays.

Other technical, nonsubstantive amendments were made for purposes of clarity, consistency, 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 S.B. No. 684, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 684, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Pendleton.

SCRep. 994 Human Services and Housing on S.B. No. 946

The purpose of this bill is to allow a caregiver, who is unable to obtain the signature of a minor's parent, guardian, or legal custodian, to enroll the minor in school and to allow the minor to participate in school activities.

The Office of Hawaiian Affairs; Na Keiki Law Center; ILWU Local 142; Kokua Council; Family, Community, Education; Na Tutu; and several individuals testified in support of this measure. The Department of Education and the Attorney General opposed this measure.

Your Committee finds that there are many instances in Hawaii where a grandparent or other relative is caring for a child whose parent is no longer a part of the child's life. However, these caregivers often have difficulty enrolling the child in school because they are not the legal guardian of the minor. In other cases, a child may already be enrolled in school, but the caregiver is not permitted to allow the child to participate in school activities.

Your Committee further finds that the opponents of this measure are not necessarily opposed to allowing the caregivers to provide consent, but the means in which the consent is provided, as well as possible fraud that may occur. Your Committee respectfully requests that the Committee on Judiciary review the concerns of the Attorney General, particularly with regard to the affidavit that the caregiver would provide.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 946, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 946, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Hale, Kawakami, Takumi and Stonebraker.

SCRep. 995 Human Services and Housing on S.B. No. 870

The purpose of this bill is to decrease homelessness by appropriating funds for outreach and other services to the homeless.

The City and County of Honolulu Department of Community Services, Kalihi-Palama Health Center, Affordable Housing and Homeless Alliance, Waianae Coast Comprehensive Health Center, Institute for Human Services, and many concerned individuals testified in support of this measure. The Housing and Community Development Corporation of Hawaii supported the intent of this measure.

Your Committee finds that homelessness in Hawaii is increasing and that the homeless often suffer from conditions such as mental illness or drug addiction. Something needs to be done not only to provide housing for the homeless, but also to solve the underlying problems associated with homelessness.

Your Committee also finds that existing organizations have been successful in providing outreach and other services to the homeless, but that even more outreach and case management services, as well as housing facilities, are required to reach the homeless in Hawaii.

Your Committee believes that a \$1,000,000 appropriation would be ideal to make a significant difference in the homeless situation in Hawaii.

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

- (1) Establishing the urgency and importance of appropriating funds from the emergency and budget reserve fund to meet the health, safety, and welfare needs of Hawaii;
- (2) Appropriating funds from the emergency and budget reserve fund;
- (3) Making an appropriation of \$1 to promote further discussion; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 870, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 870, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hale, Kawakami, Takumi and Stonebraker.

SCRep. 996 Transportation on S.B. No. 44

The purpose of this bill is, among other things, to:

- (1) Provide further economic relief to airport concessions still suffering from the terrorist attacks of September 11, 2001;
- (2) Allow airport concessions still suffering from those attacks but whose concession agreements are terminated due to a new concession operator, to recover their bonds and deposits and not be barred from doing business with the State for five years as provided by present law; and
- (3) Require that such concessions suffering any losses and damages due to termination have no right to make any claim for damages or losses against the State.

The Airport Concessionaires Committee, Island Heritage, HMS Host, Greeters of Hawaii, Travelex Currency Services, Inc., Hawaii Intercontinental, Koneco Specialties Inc., ARK Nursery Inc., Kanoa Hawaii, Kini Po-Po Creations, Inc., APCOA/Standard Parking in Hawaii, Island Shoppers, Inc., and DFS Galleria testified in support of this bill. The Department of Transportation and Airlines Committee of Hawaii opposed the measure. The Office of Information Practices submitted comments.

Airport concessionaires have never fully recovered from the events of September 11, 2001. Continued restricted access to areas of the airport served by a majority of airport concessionaires due to increased security measures has resulted in a large loss of customers for concessionaires, which translates into lost earnings for these companies. Moreover, recent global events and the impending war in Iraq will continue to affect these concessionaires for years to come.

The economic difficulties facing these concessionaires are beyond their control, and the State should provide some economic relief to these businesses. However, your Committee also recognizes the economic crisis facing the State. Accordingly, your Committee has amended this measure by:

- (1) Changing the effective date to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for purposes of style, clarity, and conformity.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 44, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 44, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Pendleton.

SCRep. 997 Transportation on S.B. No. 1051

The purpose of this bill is to support innovative transportation by amending the Statewide Traffic Code to define and provide for the operation of electric personal assistive mobility devices (mobility devices).

Segway LLC (Segway), testified in support of this measure. The Department of Transportation (DOT) opposed this measure.

Segway manufactured and marketed the first mobility device under the name of the Segway Human Transporter (Transporter). The Transporter offers an entirely new option for short distance travel and is currently being used by the United States Postal Service and the National Park Service in select locations. The Transporter is also presently being used by Ko Olina Resort and has been, and continues to be, tested in numerous cities across the country. In fact, thirty-three states have adopted legislation to allow for the operation of the Transporter on sidewalks. Your Committee finds that the use of the Transporter could be beneficial to those needing a mode of short-distance transportation and will definitely benefit the environment and lessen traffic congestion by reducing the need for cars.

However, your Committee understands the safety concerns raised by DOT regarding the use of the Transporter on sidewalks. Accordingly, your Committee has amended this measure by:

- (1) Requiring mobility devices to be operated at a speed of eight miles per hour or less when operated on a sidewalk;
- (2) Allowing the use of mobility devices on the shoulder of a roadway whose speed does not exceed 25 miles per hour if a sidewalk does not exist or is under repair or construction;
- (3) Requiring the operator of a mobility device to be 16 years of age or older regardless of whether the operator of the mobility device has a mobility-related disability;
- (4) Requiring the operator of a mobility device, when operating on a sidewalk, bike path, or roadway at a speed no greater than 25 miles per hour, to yield the right-of-way to persons using mobility aids, as well as to those traveling on foot;
- (5) Requiring the assessment of penalties for operating a mobility device in a reckless manner in disregard of the safety of persons or property; and
- (6) 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 Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1051, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1051, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives M. Oshiro and Pendleton.

SCRep. 998 Consumer Protection and Commerce on S.B. No. 1360

The purpose of this bill is to appropriate undetermined funds for emergency medical services at:

- (1) Waianae Coast Comprehensive Health Center;
- (2) Hana Community Hospital;
- (3) Molokai General Hospital; and

(4) Kahuku Hospital.

Testimony in support of this measure was submitted by the Waianae Coast Comprehensive Health Center, Hana Community Health Center, Molokai General Hospital, and a consumer advocate. The Department of Health testified in support of the intent of the bill and suggested an amendment. The Christian Science Committee on Publication for Hawaii commented.

Your Committee notes that the State of Hawaii provides the financial support necessary to allow state hospitals and health facilities to meet the basic primary and urgent health care needs of Hawaii's people. As state funding has decreased, it has been increasingly difficult for certain state hospitals and health centers to meet those needs. Your Committee believes it is especially necessary that health facilities provide the emergency services needed by their communities. This bill would provide specified hospitals or health centers in Waianae, Hana, Molokai, and Kahuku with funding for those emergency medical services.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1360, S.D. 1, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Ito, Kanoho, Finnegan, Stonebraker and Thielen.

SCRep. 999 Consumer Protection and Commerce on S.B. No. 1629

The purpose of this bill is to extend the existing general excise tax (GET) exemptions for amounts received and expended by managers for condominium common expenses, and by hotel operators for hotel employee expenses, to include amounts received after December 31, 2002, by:

- (1) A submanager of an association of apartment owners or a nonprofit homeowners or community association in reimbursement for sums paid for common expenses;
- (2) An operator of a hotel from a timeshare association equal to and which are disbursed by the operator for employee wages, salaries, payroll taxes, and insurance premiums and benefits; and
- (3) A suboperator of a hotel from the hotel owner, the hotel operator, or a timeshare association, equal to and which are disbursed by the suboperator for employee wages, salaries, payroll taxes, and insurance premiums and benefits.

Testimony in support of this bill was submitted by Outrigger Hotels, Community Associations Institute, and a concerned individual. The Tax Foundation of Hawaii offered comments on this measure.

Your Committee believes that this bill would extend equitable treatment to taxpayers in similar situations. Your Committee also understands that by extending the GET exemption to include sums received and expended by submanagers of an association, hotel operators, and hotel suboperators in the course of managing a hotel, condominium, or timeshare property, this bill would remove financial barriers to alternative management arrangements and allow local companies to operate in the same way as companies on the mainland do without any significant loss of tax revenue.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1629, S.D. 1, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, B. Oshiro, Jernigan, Herkes, Ito, Kanoho, Finnegan, Stonebraker and Thielen.

SCRep. 1000 Consumer Protection and Commerce on S.B. No. 1070

The purpose of this bill is to expedite resolution of workers' compensation permanent impairment determinations by:

- (1) Requiring that examinations performed solely to determine permanent impairment in workers' compensation cases be performed by a physician who has been mutually agreed upon by both the employer and employee;
- (2) In cases where the employer and employee do not agree, requiring the Director of Labor and Industrial Relations (DLIR) to appoint a physician from a list of qualified examiners, categorized and selected by specialty of practice;
- (3) Requiring the cost of examinations to be borne by the employer; and
- (4) Authorizing the Director of DLIR to adopt rules under chapter 91, Hawaii Revised Statutes, to effectuate the purposes of this bill.

ILWU Local 142, Consumer Lawyers of Hawaii, and several concerned individuals submitted testimony in support of this bill. DLIR, The Chamber of Commerce of Hawaii, Hawaii Insurers Council, and Hawaii Employers' Mutual Insurance Company, Inc., opposed this bill.

There is no statutory provision or administrative rule that sets forth procedures for the selection of a physician to conduct a permanent impairment evaluation. Your Committee believes that the procedures in this bill will reduce delays and costs and result in the appointment of a fair and qualified examiner by agreement of the parties.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1070, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Ito, Kanoho, Finnegan, Stonebraker and Thielen.

SCRep. 1001 Consumer Protection and Commerce on S.B. No. 1427

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

- (1) Require the Disability and Communication Access Board (DCAB) to monitor relay services for deaf, hard-of-hearing, and speech-impaired persons in Hawaii;
- (2) Require the Auditor to conduct an audit of the DCAB Special Fund and the scope, services, and costs of providing relay services; and
- (3) Appropriate funds from the DCAB Special Fund to provide for the costs of the audit.

Testimony in favor of this bill was submitted by Assistive Technology Resource Centers of Hawaii, Aloha State Association of the Deaf, and several concerned individuals. DCAB supported the intent of the bill and recommended that the sections pertaining to the audit of DCAB's Special Fund be deleted. Verizon Hawaii offered comments.

Your Committee finds that instituting an advisory committee within DCAB will help to increase the quality of relay services by allowing consumer input and feedback from individuals that use the service. Your Committee notes that DCAB testified that it is willing to take on this role and would not require or seek additional funding for this expanded responsibility.

Your Committee has concerns that the intended purpose of auditing the relay service will not be served by an audit of the DCAB Special Fund, as the two are not related. Accordingly, your Committee has amended this measure by removing the DCAB Special Fund audit and changing the source of funding for the relay service audit from the DCAB Special Fund to the Public Utilities Commission Special Fund.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1427, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 1427, H.D. 2.

Signed by all members of the Committee except Representatives Herkes, Ito, Kanoho, Finnegan, Stonebraker and Thielen.

SCRep. 1002 Consumer Protection and Commerce on S.B. No. 1267

The purpose of this bill is to:

- (1) Improve the State's ability to collect settlement moneys under the tobacco master settlement agreement (MSA), by increasing the ability of the Department of the Attorney General (AG) to diligently enforce chapter 675, Hawaii Revised Statutes (HRS); and
- (2) Improve the ability of the AG to enforce the cigarette tax stamping and the "gray market," or export and foreign cigarette provisions of chapter 245, HRS.

The AG submitted testimony in support of this bill and offered amendments.

Your Committee recognizes that continued and enhanced monitoring, enforcement, and diligent administration of the MSA and of tax stamping, gray market, and tobacco reporting requirements under state law, are necessary to curb the sale of contraband cigarettes and ensure that Hawaii's fair share of the MSA settlement each year is not jeopardized.

Furthermore, your Committee finds that chapter 675, HRS, applies to tobacco companies who did not sign the MSA and refused to participate in settlement payments to the states. The chapter requires these nonsignatories to pay a fraction of moneys from their cigarette sales into a contingency fund from which the State would satisfy any judgment against the company in the event the State elects to litigate against it. MSA requires states to diligently enforce statutes like chapter 675, and failure to do so may have an adverse effect on the amount of settlement dollars a state receives in any year – payments which will likely be made for decades into the future.

This bill provides the AG with a strong mechanism for enforcement of chapter 675. It makes compliance with chapter 675 a prerequisite for nonsignatory companies to place tax stamps on their cigarettes, and thus, to legally sell their products in Hawaii.

It is also anticipated that this bill will allow the State to collect a higher percentage of revenues from the stamp tax, which will be paid into the state general fund.

Your Committee notes that this bill is not intended to amend chapter 675 or affect MSA.

Your Committee has amended this bill by replacing its contents with the contents of a similar bill, H.B. No. 1114 H.D. 1. As amended, the bill differs from S.B. No. 1267 in that:

- (1) Instead of adding the terms "receive" and "acquire" to the definition of "distribute," the terms "possess, keep, store, hold, own, acquire, receive, retain, transport, import, cause to be imported," and "offer to sell," or variations thereof, are added to the activities that are unlawful with regard to export and foreign cigarettes, to clarify that one who receives or acquires these tobacco products at the end of the distribution chain falls within the prohibited conduct known as distribution; and
- (2) Technical, nonsubstantive changes have been made for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1267, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1267, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Herkes, Chang, Ito, M. Oshiro, Stonebraker and Thielen.

SCRep. 1003 Consumer Protection and Commerce on S.B. No. 1229

The purpose of this bill is to require a nonprofit corporation to comply with chapter 92, Hawaii Revised Statutes (HRS), the state sunshine law, and chapter 92F, HRS, the Uniform Information Practices Act (UIPA), also known as the state open records law, if:

- (1) The corporation's bylaws provide for appointment of a majority of its board of directors by a government official or agency;
- (2) The corporation's assets are payable to the State upon dissolution; or

- (3) The majority of the corporation's funds are public funds.

This bill also provides that the Auditor may conduct audits of these nonprofit corporations.

Advocates for Consumer Rights, League of Women Voters of Hawaii, League of Women Voters—Kauai County, American Civil Liberties Union of Hawaii, and several individuals submitted testimony in support of this bill. Child and Family Service submitted comments and offered an amendment. The Office of Information Practices (OIP) supported the intent of the bill.

Your Committee finds that this bill was intended to allow increased public oversight of the decision-making and programming of two nonprofit corporations that administer public, educational, and governmental (PEG) access cable television channels -- Olelo: The Corporation for Community Television (Olelo) and Hoike: Kauai Community Television, Inc (Ho'ike).

Your Committee has determined that when the Director of the Department of Commerce and Consumer Affairs (Director) negotiated and awarded cable franchises for the islands of Oahu and Kauai under chapter 440G, HRS, the Hawaii Cable Communications Systems Law, the Director reserved the right to designate entities to operate PEG access cable channels. The PEG access operators, Olelo and Hoike, were established pursuant to the recommendations of committees appointed by the Director. The bylaws of both Hoike and Olelo require the majority of their board members to be appointed by the Director. These nonprofit corporations are funded almost entirely through funds allocated pursuant to the Director's authority to issue and regulate cable franchises under chapter 440G, HRS. For example, funding for Olelo comes from a franchise fee collected from cable subscribers, as required by the franchise agreement negotiated between the cable company and the Director.

Your Committee finds that on September 6, 2002, the Office of Information Practices issued an opinion letter that examined the relationship between Olelo, Hoike, and the State, and found that Olelo and Hoike are corporations owned, operated, or managed by or on behalf of the State and therefore required to comply with UIPA.

Although the purpose of this bill is to apply the sunshine and open records law to Hawaii's PEG access organizations, your Committee finds that in its current form the bill is so broadly drafted that it will apply to other types of nonprofit corporations, such as Child and Family Service, or the Humane Society. Accordingly, your Committee has amended this measure by:

- (1) Specifying that the law applies only to PEG access organizations;
- (2) Deleting the provisions that would have applied the law to nonprofits whose assets are payable to the State upon dissolution, or the majority of whose funds are public funds;
- (3) Recasting the purpose clause to reflect the narrowed scope of the bill and its intent;
- (4) Changing the bill's effective date to July 1, 2050, to facilitate further discussion; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1229, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1229, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Herkes, Caldwell, Chang, Ito, M. Oshiro, Stonebraker and Thielen.

SCRep. 1004 Consumer Protection and Commerce on S.B. No. 1306

The purpose of this bill is to provide the Public Utilities Commission (PUC) with greater flexibility in recovering and spreading the cost of providing intrastate telecommunications relay services (TRS) for persons with hearing and speech disabilities.

Testimony in support of this measure was submitted by the PUC, Division of Consumer Advocacy, Disability and Communication Access Board, Aloha State Association of the Deaf, and several concerned individuals. Assistive Technology Resource Centers of Hawaii testified in support and offered amendments. Verizon Wireless commented and requested an amendment.

Your Committee finds that TRS are telephone transmission services that allow an individual with a hearing or speech disability to communicate with a hearing individual by wire or radio in a manner functionally equivalent to that of an individual with no hearing or speech disability. These services include text telephones, speech-to-speech, video relay, and non-English relay services.

Your Committee was informed that TRS services are currently provided by Verizon Hawaii, Inc., and funded by an access line surcharge on Verizon customer bills. Verizon collects from two other intrastate telecommunications providers through interconnection agreements. Your Committee finds that this bill will give PUC greater flexibility in funding the TRS program by allowing PUC to more equitably spread the costs of providing TRS over a wider array of telecommunication users.

Your Committee has amended this measure by replacing its contents with those of H.B. No. 1153, H.D. 1, other than the House Bill's effective date. The amended bill makes numerous technical changes to the Senate Bill and is effective upon its approval.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1306, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1306, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Caldwell, Chang, Ito, M. Oshiro, Stonebraker and Thielen.

SCRep. 1005 Consumer Protection and Commerce on S.B. No. 1055

The purpose of this bill is to encourage drivers to participate in the State's no-fault system and to reduce the cost of uninsured motorist coverage, by establishing a motor vehicle insurance database to be used to identify uninsured motorists and better enforce the motor vehicle insurance laws.

Testimony in support of this bill was provided by the Insurance Commissioner and the Honolulu Police Department. A concerned individual supported the bill and suggested an amendment. Testimony in support of the intent of the bill and

recommending amendments was submitted by The City and County of Honolulu Department of Customer Services. State Farm, Hawaii Insurers Council, and a concerned individual opposed the bill.

Your Committee finds that the police departments of the counties have had ongoing problems with enforcement of the State's motor vehicle insurance law, which uses insurance cards to identify insured motorists. Insurance cards are subject to fraudulent use and counterfeiting. A motorist may retain possession of these cards although the underlying insurance policy has been cancelled or revoked, present the card to law enforcement officers, and thereby avoid being cited at a traffic stop or at the scene of an accident.

The motor vehicle insurance database established by this bill was one of the proposals of the 2000 Motor Vehicle Insurance Benefits Task Force, which was formed to address the problem of uninsured motorists in Hawaii. This secure database would reside in the Honolulu City and County's Motor Vehicle and Licensing Division and contain information on insured vehicles that is sent directly to the database by the State's insurers. Law enforcement officers, the Judiciary, and county departments with motor vehicle insurance enforcement authority would be given access to this information, which will allow a police officer to immediately determine whether a vehicle involved in a routine traffic stop or motor vehicle accident was insured.

Your Committee finds that the Legislature has been striving to address the problem of uninsured motorists for some time, and that similar measures have been unsuccessfully introduced in past legislatures largely because of cost concerns.

However, your Committee heard testimony that the proposed database has become economically feasible with the recent expansion of insurer marketing efforts into the Internet. There was testimony that all of Hawaii's major insurers, representing 95 percent of insured motorists in this State, already maintain websites with capabilities that far exceed those necessary to provide the information required under this bill.

Your Committee heard estimates that start-up costs to the few insurance carriers that do not maintain a computer system that transfers data to an off-site location would be \$1.85 per policy per year over a period of five years, and that these costs would be less for the majority of Hawaii's insurers who do maintain these systems.

Thirteen other states currently require insurers to report account information electronically, and over 600 insurance companies nationwide already report to one or more state-mandated databases. Your Committee heard testimony that Nevada, Utah, and Colorado experienced a reduction in the number of uninsured motorists after implementing a central database system, and that Nevada received increased revenues through its insurance reinstatement fee of \$8,400,000 -- more than double its projection of \$3,800,000.

However, your Committee is also aware of continuing insurer concerns that the system will be costly to maintain and less accurate than the current card system, that the possibility of errors in reporting could result in additional costs due to insurer liability, and that these costs would outweigh the current cost of uninsured motorist coverage, which is currently about \$48 for unstacked basic 20/40 coverage, or about \$4 per month.

There were also concerns that insurers could not reasonably provide the required information within 24 hours of the effective date of any change in the status of a policy, and that vehicle identification numbers are not recorded for insured commercial fleets.

Finally, your Committee heard concerns that better enforcement of the insurance laws would hurt persons who are unable to bear the cost of insurance, by removing their ability to drive to work.

Upon consideration, your Committee has amended this bill by:

- (1) Extending the deadline for insurer transmission of insurance information to the City and County of Honolulu motor vehicle insurance database, from 24 hours to ten working days;
- (2) Providing clarification of the scope of information that must be transmitted by insurers;
- (3) Providing that insurers are not required to transmit the vehicle identification numbers of vehicles in insured commercial fleets of five or more vehicles;
- (4) Providing insurers with immunity from civil liability for errors and omissions in the recording, maintenance, or reporting of required insurance information, except for damages caused by gross negligence or wanton acts or omissions;
- (5) Changing the effective date to July 1, 2050, to allow further discussion of the issues; and
- (6) 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 S.B. No. 1055, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1055, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Chang, Ito, M. Oshiro, Stonebraker and Thielen

SCRep. 1006 Energy and Environmental Protection/Water, Land Use, and Hawaiian Affairs on S.B. No. 848

The purpose of this bill is to appropriate \$500,000 from the Special Land and Development Fund for the development and implementation of a strategy for the use of alternative energy resources on the island of Kahoolawe.

The Pacific International Center for High Technology Research and Office of Hawaiian Affairs testified in support of this bill. The Kahoolawe Island Reserve Commission supported the intent of this measure. The Department of Land and Natural Resources opposed this bill.

Your Committees find that Kahoolawe is an ideal demonstration site for renewable energy resources and technology. The lack of permanent habitation on Kahoolawe makes it an excellent place to implement strategies for the development of alternative energy resources.

Your Committees have amended this bill by:

- (1) Appropriating funds out of the general fund;

- (2) Leaving the appropriation amount blank to facilitate further discussion; and
- (3) Requiring matching funds from other sources.

As affirmed by the records of votes of the members of your Committees on Energy and Environmental Protection and Water, Land Use, and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 848, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 848, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Bukoski.

SCRep. 1007 Legislative Management on S.B. No. 296

The purpose of this bill is to require ethics training for elected and high level administration officials.

This bill requires the Governor, Lieutenant Governor, all legislators, elected members of the Board of Education, trustees of the Office of Hawaiian Affairs, and executive department heads and deputies to complete mandatory ethics training courses administered by the Hawaii State Ethics Commission.

Your Committee received testimony in support of this measure from the Hawaii State Ethics Commission, the Office of Hawaiian Affairs, the Board of Education, and The League of Women Voters of Hawaii.

Your Committee believes that top state officials should be held to the highest standards of ethical conduct. This measure will ensure that these officials are provided guidance and an understanding of state ethics and lobbying laws and will help them to make ethical choices and decisions in carrying out their official duties.

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 S.B. No. 296, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Saiki.

SCRep. 1008 Legislative Management on S.B. No. 474

The purpose of this measure is to allow the Auditor access to confidential records in the Department of Education and Department of Health.

Your Committee finds that the Auditor requires unfettered access to certain confidential records in the Department of Education and Department of Health in order to continue its investigation of the State's compliance with the United States District Court enforced Felix consent decree, and in connection with any other audit or evaluation of any federal or state supported educational program.

This measure grants the Auditor the access it needs by designating the Auditor an authorized representative of the Department of Education and Department of Health, a state educational authority, or a state educational official.

Your Committee is in support of the efforts of the Auditor and in agreement with the objectives of this measure; however, the Attorney General has submitted testimony in strong opposition to this measure citing a violation of federal law which makes any educational records or personally identifiable information confidential without the written consent of the student or parent, unless the Auditor is deemed to be a "contractor" of the Department of Education or the Department of Health. The Attorney General believes that this measure's attempt to characterize the Auditor as a contractor falls short because such a contractor would be accountable to the department it contracts with, while the Auditor would be accountable to neither department.

The Attorney General further notes that this measure would violate the separation of powers doctrine if the Auditor is made an authorized representative of an executive department while performing official audit duties for the Legislature. It could also place the Auditor in a conflict of interest position by attempting to audit the department to which it is an authorized representative or contracting agent.

On the advice of the Attorney General, the Department of Education and Department of Health also submitted testimony in opposition to this measure. The Auditor supports the measure as a way in which to obtain the access it believes is necessary for the continuing performance of its duty.

While your Committee strongly feels that the purposes of this bill warrant its continued viability, it requests that the Committee on Judiciary, in its deliberations, give due consideration to the concerns raised by the Attorney General, the Department of Health, and the Department of Education.

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 S.B. No. 474, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Saiki.

SCRep. 1009 Health on S.B. No. 3

The purpose of this measure is to authorize the issuance of special purpose revenue bonds (SPRBs) for North Hawaii Community Hospital, Inc. (NHCH).

The North Hawaii Community Hospital and two individuals submitted testimony in support of this measure.

Your Committee finds that the issuance of SPRBs to assist NHCH to provide for the growing needs of the north Hawaii community is in the public interest and for the public health, safety, and general welfare of the state.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 1010 Health on S.B. No. 1243

The purpose of this bill is to ensure cost-effective health care for the uninsured by appropriating an unspecified amount of funds for community-based health care providers to provide medical, dental, and mental health services and purchase prescription drugs.

Papa Ola Lokahi, Hawaii Primary Care Association, Healthcare Association of Hawaii, and the Waianae Coast Comprehensive Health Center testified in support of this measure. DOH opposed this measure.

The number of uninsured is increasing in Hawaii, resulting in more demands being placed on the community health centers to provide primary care. Your Committee finds that the appropriation amount required to fulfill the needs of the community health centers is \$2,000,000.

Your Committee has amended this bill by:

- (1) Changing the appropriation amount to \$1 to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1243, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1243, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Takai.

SCRep. 1011 Health on S.B. No. 740

The purpose of this bill is to codify the Department of Health's (DOH) Public Health Nursing Services Program (Program) into the Hawaii Revised Statutes, thereby recognizing the Program's roles and functions in the delivery of direct clinical nursing services to the people of Hawaii.

DOH, the Child Welfare Services State Advisory Council, Hawaii Government Employees Association, Parents and Children Together, Hawaii Early Intervention Coordinating Council, Hawaii Nurses' Association, and several concerned individuals testified in support of this measure.

The Program is prominently involved in the provision of services for the prevention and control of communicable diseases, immunization activities, and immediate response to epidemics and other catastrophic disasters and traumatic emergencies in the community. Additionally, your Committee believes that public health nursing should be expanded in the schools to provide services for children and teens.

Your Committee has amended this bill accordingly by:

- (1) Inserting provisions to establish a comprehensive school health program;
- (2) Establishing comprehensive school health projects in each school district;
- (3) Establishing a joint DOH and Department of Education planning committee to plan and coordinate the implementation of a comprehensive school health services and comprehensive school health program in conjunction with the comprehensive school support system;
- (4) Requiring DOH to apply for federal funds and grants;
- (5) Appropriating funds to implement the projects and programs; and
- (6) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 740, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 740, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hale, Takumi, Finnegan and Stonebraker.

SCRep. 1012 Health on S.B. No. 1041

The purpose of this bill is to limit the liability for civil damages of community health centers that operate a helicopter landing pad for use by Military Assistance to Safety and Traffic (MAST) helicopters, unless the community health center's conduct was grossly negligent, wanton, wilful, malicious, or intentional.

The Waianae Coast Comprehensive Health Center (WCCHC) submitted testimony in support of this measure. The Consumer Lawyers of Hawaii provided comments.

Your Committee finds that community health centers that operate a helicopter landing pad for use by MAST helicopters play a vital role in transporting patients in critical care, trauma, and emergency cases. The use of MAST helicopters has been a life-saving program for medical emergencies on the Waianae coast, as well as many other rural areas on Oahu. However, your Committee finds that certain community health centers have had difficulty with their insurance carrier because of the helicopter landing pad. This measure should resolve the situation with the insurance carrier.

Your Committee has amended the bill by:

- (1) Inserting a sunset date of June 30, 2005; 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 S.B. No. 1041, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1041, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Takai.

SCRep. 1013 Health on S.B. No. 1364

The purpose of this bill is to clarify that emergency psychiatric examination and hospitalization is an alternative for mentally ill adults and mentally ill adults suffering from substance abuse.

The Department of Health and Hawaii Psychological Association testified in support of this measure. The Judiciary provided comments.

Your Committee finds that current law states that an individual suffering from only a substance abuse disorder may be hospitalized on psychiatric grounds. This measure would clarify that the individual with a suspected substance abuse disorder must also be suspected to be mentally ill to be admitted for emergency examination or hospitalization.

Your Committee has amended this bill by changing the effective date to July 1, 2020.

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

Signed by all members of the Committee except Representative Takai.

SCRep. 1014 Health on S.B. No. 1484

The purpose of this bill is to continue regulating the occupational therapy program (Program) by:

- (1) Eliminating the repeal date of the Program;
- (2) Requiring the Auditor to evaluate the Program;
- (3) Eliminating reference to occupational therapy assistants; and
- (4) Eliminating the temporary permit procedures.

The Department of Education, Department of Labor and Industrial Relations, Hawaii Medical Service Association, Hawaii Chapter – American Physical Therapy Association, and several concerned individuals testified in support of this measure. The Occupational Therapy Association of Hawaii, and many concerned individuals supported this measure with amendments. The Department of Commerce and Consumer Affairs and several concerned individuals submitted comments.

Your Committee finds that occupational therapists provide a valuable service to the community and that the existing Program has proved to be successful. Regulation of occupational therapy is essential to ensure the safety and well-being of the large number of individuals who receive occupational therapy services.

Your Committee has amended this bill by:

- (1) Revising provisions for support personnel including occupational therapy assistants;
- (2) Removing the provisions for the Auditor's report; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1484, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1484, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Takai.

SCRep. 1015 Labor and Public Employment on S.B. No. 1425

The purpose of this bill is to establish a demonstration program of business mentoring to encourage employers to provide business mentoring to youth and young adults in career development and workplace and occupational skills.

The Department of Labor and Industrial Relations and Department of Human Resources of the City and County of Honolulu supported this bill. The Department of Education and Chamber of Commerce of Hawaii supported the intent of this bill.

Your Committee finds that Hawaii's ability to develop a skilled and knowledgeable workforce will determine the extent to which Hawaii will be able to compete in the global economy. This initiative, used by various industries on a case-by-case basis among Oahu schools, develops and supports an understanding among youth and young adults of the needs of the business community so that they can more appropriately prepare for their careers.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1425, S.D. 2, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1016 Labor and Public Employment on S.B. No. 209

The purpose of this bill is to appropriate an unspecified amount of funds to the Department of Education (DOE) to convert ten-month certificated positions within the DOE to twelve-month positions, as needed, for multi-track schools.

The Hawaii Government Employees Association and two concerned principals testified in support of this measure. The DOE supported the intent of this measure.

Increased student populations, community growth, and insufficient educational facilities have contributed to an increase in the number of schools converting to a multi-track system, in which a school is in session year-round. This conversion to a multi-track system has necessitated the expansion of support services at schools that use this type of system. Your Committee finds that this measure is an attempt to continue to provide appropriate services to students at multi-track schools.

Your Committee recognizes that the State is facing difficult economic times and that it will be left to the House Committee on Finance and the Senate Committee on Ways and Means to decide whether sufficient financial resources are available to incorporate this measure into the state budget. However, your Committee would like to urge the DOE and the multi-track schools in the State to, should this measure be enacted, work in a mutually beneficial manner to implement this law since it is ultimately the child's best interest that this law intends to support.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 209, S.D. 3, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1017 Labor and Public Employment on S.B. No. 678

The purpose of this bill, as received by your Committee, is to require insurance adjusters and independent bill reviewers to keep records of transactions related to workers' compensation claims for eight years immediately after the date of the completion of such transactions.

For the purposes of the public hearing, your Committee circulated a proposed version of the bill that deletes the contents of the bill as received and inserts new provisions amending the definition of "employment" under the workers' compensation law. The proposed House Draft 1 extends the workers' compensation insurance exemption to employers having a distributional interest of at least fifty per cent of a limited liability company (LLC) or having a transferable interest of at least fifty per cent of a limited liability partnership (LLP).

The Hawaii Business League, National Federation of Independent Business, and the Hawaii Association of REALTORS supported the proposed draft. The Department of Labor and Industrial Relations, The Chamber of Commerce of Hawaii, and the Hawaii Insurers Council supported the intent of the proposed draft. Testimony in opposition was submitted by ILWU Local 142 and a concerned citizen. The Department of the Attorney General and a concerned citizen offered comments.

Your Committee finds that Hawaii's workers' compensation law has not kept pace with changes in the business sector, and more specifically, the development of different types of business entities. Because of this, the exemption of certain individuals from workers' compensation coverage has not been equitable.

For instance, your Committee has learned that Hawaii's workers' compensation law does not require coverage for owners of corporations holding fifty per cent or more of its stock. However, the law does require coverage of Limited Liability Company (LLC) members who hold a distributional interest of fifty per cent or more.

Your Committee has also learned that while partners of a Limited Liability Partnership (LLP) must be covered under the workers' compensation law, partners of general partnerships do not. Your Committee can discern no reason for the inequity.

Due to this information, your Committee has determined that the following individuals should be excluded from workers' compensation coverage:

- (1) Members of an LLC (including members of a limited liability law company) having a distributional interest of at least fifty percent;
- (2) Partners of an LLP (including partners of a limited liability law partnership); and
- (3) Sole proprietors.

In light of these factors, your Committee has incorporated the contents of the proposed draft relating to LLCs, sole proprietorships, and partners of partnerships if the partner is an individual. As amended, this bill excludes from the definition of "employment" under the workers' compensation law:

- (1) Service performed by a sole proprietor or a partner of a partnership, as defined in chapter 425, Hawaii Revised Statutes (HRS) relating to partnerships, if the partner is an individual; and
- (2) Service performed by a member of an LLC if the member is an individual and has a distributional interest, as defined under the Uniform Limited Liability Company Act, of at least fifty per cent in the company.

Your Committee believes that this bill as amended will greatly assist Hawaii businesses by reducing workers' compensation costs, and providing equity for certain business owners regardless of their legal structure.

Not unmindful of the Attorney General's concerns, your Committee believes that defining "employment" for purposes of determining coverage under the workers' compensation insurance law falls reasonably within the embrace of a title "relating to insurance."

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 678, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 678, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 1018 Economic Development and Business Concerns on S.B. No. 560

The purpose of this bill is to appropriate funds for the Small Business Development Center (SBDC) as follows:

- (1) Restore previously waived indirect fees on federal and state grants to the University of Hawaii;
- (2) Restore funds previously advanced to open a center in Kailua-Kona in compliance with requirements of the U.S. Small Business Administration;
- (3) Restore salary reductions made in 2002; and
- (4) Expand the economic development program at SBDC.

In addition, the bill also requires SBDC to report to the Legislature on the types and categories of services provided to small businesses in the State, increases in the volume of business generated by participating businesses, the categories of businesses served, and any other information relevant to assessing the performance of SBDC.

SBDC and the University of Hawaii at Hilo supported this bill.

The Department of Business, Economic Development, and Tourism supported the intent of this bill.

Your Committee has amended this bill by changing its effective date to July 1, 2020, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 560, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 560, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Abinsay, Herkes, B. Oshiro and Ontai.

SCRep. 1019 Economic Development and Business Concerns on S.B. No. 1249

The purpose of this bill is to expand the authority of the High Technology Development Corporation (HTDC) to provide grants not exceeding the lesser of:

- (1) 50 percent of the federal Small Business Innovation Research or Small Business Technology Transfer Phase I award or contract; and
- (2) \$25,000 to each business in Hawaii that receives a federal Small Business Innovation Research or Small Business Technology Transfer Phase I award or contract from any participating federal agency.

This bill also appropriates an unspecified amount to pay for this expansion of authority.

HTDC supported 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 Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1249, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1249, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Abinsay, Herkes, B. Oshiro and Ontai.

SCRep. 1020 Economic Development and Business Concerns on S.B. No. 1251

The purpose of this bill is to designate the State Comptroller as the State's Chief Information Officer. Among other things, the duties of the Chief Information Officer would include:

- (1) Ensuring that departments are held accountable for delivering the promised benefits of information technology expenditures;
- (2) Directing efforts of separate state departments in developing and implementing a statewide strategic information technology plan;
- (3) Serving as a liaison between the Governor and the Special Advisor for Technology Development, executive branch department directors, Judiciary, counties, and legislative branch on information technology issues;
- (4) Developing standards and overall technology approaches that minimize the use of customized systems;
- (5) Establishing information technology policies and guidelines as new technologies arise; and
- (6) Supporting the goals of the State's Internet website.

The Department of Accounting and General Services (DAGS) supported this bill, but recommended amendments to ensure that information technology resources are allocated by state needs and to establish a State Information Technology Governance Committee.

Your Committee has adopted DAGS' recommendations and has amended this bill to:

- (1) Ensure that information technology resources, such as systems, services, hardware, software, and personnel, are allocated by state needs; and
- (2) Establish a State Information Technology Governance Committee, consisting of administrator-representatives of the state departments, whose purpose shall be to coordinate implementation of information technology strategies, policies, and programs, and to facilitate integration of information technology systems across departments.

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 S.B. No. 1251, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1251, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Abinsay, Herkes, B. Oshiro and Ontai.

SCRep. 1021 Economic Development and Business Concerns on S.B. No. 1397

The purpose of this bill is to authorize the State's participation in multistate discussions relating to the Streamlined Sales Tax Project (Project), which is a nationwide effort being undertaken among the various states.

The underlying purpose of the Project is to simplify sales and use tax administration to reduce the burden of tax compliance for all sellers and for all types of commerce. The goals of the Project include:

- (1) Establishing a single state sales tax rate;
- (2) Establishing uniform definitions of sales and use tax terms;
- (3) Requiring states to administer any local sales and use taxes; and
- (4) Establishing a central electronic registration system to allow a seller to register to collect and remit sales and use taxes for all states.

The Department of Taxation, Retail Merchants of Hawaii, and Legislative Information Services of Hawaii supported this bill. The Tax Foundation of Hawaii submitted comments.

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

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1397, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1397, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Abinsay, Herkes, B. Oshiro and Ontai.

SCRep. 1022 Human Services and Housing/Health on S.B. No. 585

The purpose of this bill is to transfer from the Department of Health to the Department of Human Services (DHS) the unexpended tobacco settlement funds designated for the State Children's Health Insurance Program (SCHIP).

DHS and the Department of Budget and Finance supported this measure. The Hawaii Primary Care Association, Advocates for Consumer Rights, Kokua Council, and a concerned individual opposed this measure.

Your Committees find that this measure proposes to divert funds designated for SCHIP to unspecified children's health programs. Section 328L-4, Hawaii Revised Statutes, states that up to ten percent of the total moneys received by the State from tobacco settlement funds are designated specifically for SCHIP.

Your Committees believe that unexpended funds from the portion of the tobacco settlement designated for SCHIP should not be used for other programs, but instead should be used to expand SCHIP and assist other children in need of health insurance.

Your Committees have amended this bill accordingly by:

- (1) Expanding eligibility to SCHIP to 300% of the federal poverty level, or the maximum amount allowable by the federal Centers for Medicare and Medicaid Services;
- (2) Specifying that the appropriated amount be used to fund SCHIP eligibility expansion and outreach services; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 585, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 585, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hale, Kawakami, Takumi and Stonebraker.

SCRep. 1023 Tourism and Culture/Economic Development and Business Concerns on S.B. No. 359

The purpose of this bill is to provide additional incentives for motion picture and film production in Hawaii by:

- (1) Raising the tax credit for the production of motion picture or television films (Tax Credit) in the State to include up to 15 percent of the costs of wages and salaries incurred, provided that the Tax Credit for wages and salaries shall apply only to the first \$25,000 per employee; and
- (2) Providing that for purposes of the Tax Credit, motion picture and film production shall include commercials that advertise products and services to consumers.

In addition, this bill:

- (1) Prohibits any taxpayer that has claimed a Tax Credit from qualifying as a "qualified high technology business" for the income tax exclusion for royalties; and

- (2) Requires the Hawaii Television and Film Development Board, with participation from Hawaii's film and media industry, to review, analyze, and propose recommendations on possible tax or other incentives that may be enacted and implemented to encourage the acquisition, utilization, and local availability of television and movie production equipment in Hawaii.

The Big Island Film Office, Hawaii State AFL-CIO, IATSE Local 665, Screen Actor's Guild Hawaii, Honolulu Film Office, FilmWorks Pacific & FilmWorks Press, and two concerned citizens supported this bill. The Department of Taxation, Department of Business, Economic Development, and Tourism, and the Tax Foundation of Hawaii offered comments.

Your Committees have amended this measure by:

- (1) Deleting the provision that increases the Tax Credit for costs incurred for wages and salaries;
- (2) Deleting the provision that provides that the Tax Credit for wages and salaries shall apply only to the first \$25,000 per employee;
- (3) Increasing the Tax Credit to 8 percent for costs incurred in any county with a population over 700,000, and 10 percent for costs incurred in any county with a population of 700,000 or less;
- (4) Defining "commercials" to mean advertising messages that are created by traditional or new media, including but not limited to film, tape, or digital means; and
- (5) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Tourism and Culture and Economic Development and Business Concerns that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 359, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 359, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Abinsay and Herkes.

SCRep. 1024 Labor and Public Employment on S.B. No. 1286

The purpose of this bill is to transfer administrative responsibility for the Housing and Community Development Corporation of Hawaii (HCDCH) from the Department of Business, Economic Development, and Tourism (DBEDT) to the Department of Human Services (DHS).

The Department of Human Resources Development, HCDCH, and DHS testified in support of this bill.

HCDCH and its precursor, the Hawaii Community Development Authority (HCDA), have been heavily criticized for their inability to provide for the needs of their clients. Over the past twenty years, in an attempt to alleviate what was seen as administrative problems, HCDCH and HCDA, have been administratively transferred three times, including to DBEDT and the Department of Budget and Finance. These transfers have not appeared to solve the problems experienced in past years. However, your Committee notes that the transfer of HCDCH to DHS may finally solve some of the administrative problems of HCDCH and improve the quality of services provided to the neediest of our citizens—the poor, indigent, and their families.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1286, S.D. 1, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1025 Health on S.B. No. 1519

The purpose of this bill is to establish a dedicated source of funding for the operating expenditures of community health centers by:

- (1) Decreasing the percentage of tobacco settlement moneys allocated to the Emergency and Budget Reserve Fund (Reserve Fund); and
- (2) Increasing the percentage allocated to the Department of Health (DOH) for community health centers.

The Hawaii Primary Care Association and Waianae Coast Comprehensive Health Center testified in support of this bill. DOH and the Department of Budget and Finance opposed this bill.

Your Committee finds that community health centers statewide, located mostly in rural areas, are in dire need of financial assistance if they are to continue to provide adequate services to accommodate patients. These centers are particularly crucial in providing services to the uninsured, whose numbers are increasing.

Your Committee strongly supports community health centers and believes that more funding should be provided to them. However, your Committee is hopeful that the social and economic situation will eventually improve and would not like to have these centers depend on tobacco settlement funds as a dedicated source of funding. Your Committee does believe, however, that this constitutes an emergency situation that justifies a one-time appropriation from the Reserve Fund.

Accordingly, your Committee has amended this bill by:

- (1) Removing the provisions that reallocate the percentages of the tobacco settlement moneys;
- (2) Stating the urgency and importance of appropriating funds from the Reserve Fund to meet the health, safety, and welfare needs of Hawaii;
- (3) Making a one-time appropriation from the Reserve Fund to community health centers; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1519, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1519, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Takai.

SCRep. 1026 Water, Land Use, and Hawaiian Affairs on S.B. No. 1040

The purpose of this bill is to protect the natural beauty of Hawaii's trails and accesses by:

- (1) Requiring ten percent of the first \$1,000,000 in revenues deposited in excess of \$62,292,000 into the Tourism Special Fund (Special Fund) to be deposited into the Special Land and Development Fund (Development Fund) for the Hawaii Statewide Trail and Access Program (Program); and
- (2) Eliminating the \$500,000 ceiling on the amount of funds that may be dedicated for the management, maintenance, and development of trails and trail accesses under the jurisdiction of the Department of Land and Natural Resources (DLNR).

DLNR and The Nature Conservancy of Hawaii testified in support of this bill. The Department of Taxation and Tax Foundation of Hawaii commented on this measure.

Act 250, Session Laws of Hawaii (SLH) 2002, authorized the use of a portion of the Special Fund for the Program. However, Act 250 did not specify a deposit into any fund. In order for the Program to expend any of these funds, it must be deposited into the Development Fund, which provides funds for the Program.

Your Committee finds that Hawaii's natural beauty is one of its greatest assets and that continued maintenance of Hawaii's trails and access areas enhances the enjoyment of these natural areas. The Program provides safe, accessible hiking trails for residents and visitors alike and plays an important role in enhancing the overall tourist experience.

As affirmed by the record of votes of the members of your Committee on Water, Land Use, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1040, S.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Evans, Morita and Waters.

SCRep. 1027 Water, Land Use, and Hawaiian Affairs on S.B. No. 1415

The purpose of this bill is to clarify that the Department of Land and Natural Resources (DLNR) may impose fines for each violation, require payment of restorative costs, and provide verbal notification to violators of the conservation district statute.

DLNR testified in support of this measure.

Your Committee finds that protecting Hawaii's natural ecosystem is necessary for sustaining the State's economic and recreational interests. Your Committee also notes that there are entities who purchased large parcels of conservation land and have failed to adhere to conservation district restrictions.

The ability for DLNR to assess additional fines may deter future purposeful violations.

As affirmed by the record of votes of the members of your Committee on Water, Land Use, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1415 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1028 Water, Land Use, and Hawaiian Affairs on S.B. No. 1594

The purpose of this bill is to add a member with substantial experience in traditional Hawaiian water resources management techniques and in traditional riparian usage to the Commission on Water Resource Management.

Testimony in support of this measure was received from the Office of Hawaiian Affairs, Ka Lahui Hawaii, and Hawaii's Thousand Friends. The Department of Land and Natural Resources, County of Maui Department of Water Supply, and County of Kauai Department of Water opposed this measure.

Your Committee finds that this measure ensures that traditional and customary rights of ahupua'a tenants not be denied and that appurtenant water rights of kuleana and taro lands are not diminished or eliminated in consonance with section 174C-101, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Water, Land Use, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1594 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1029 Water, Land Use, and Hawaiian Affairs on S.B. No. 42

The purpose of this bill is to require vessels traveling more than one mile off shore to be equipped with a properly functioning Emergency Position Indicating Radio Beacon (EPIRB) or VHF-FM radio.

This bill exempts:

- (1) Canoes, thrill crafts, surfboards, and paddleboards; and
- (2) Kayaks and training sailboats that are accompanied by a vessel with an EPIRB or VHF-FM radio.

The Department of Land and Natural Resources, Hawaii Boaters Political Action Association, Hawaii Ocean Safety Team, Chamber of Commerce of Hawaii, and a concerned individual provided testimony in support of this measure.

Your Committee finds that many of the sea-craft fatalities or near fatalities over the past years may have been avoided through the use of an EPIRB or VHF-FM radio. Many fatalities occur simply because rescue personnel are unable to locate the craft in distress.

As affirmed by the record of votes of the members of your Committee on Water, Land Use, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 42, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1030 Transportation on S.B. No. 91

The purpose of this bill is to:

- (1) Authorize the Department of Transportation (DOT) to remove personal property blocking state highways; and
- (2) Limit DOT's liability for damage to personal property.

The Honolulu Police Department testified in support of this bill. Verizon Hawaii testified in support of the intent of this bill. DOT and the Consumer Lawyers of Hawaii commented on this bill

Whenever there is an obstruction on a state highway, traffic congestion ensues, posing a possible danger to the safety and well-being of the motoring public. Expedient removal of obstructions, such as stalled vehicles and accident debris, would minimize traffic congestion and enhance highway safety. Your Committee finds that this would best be accomplished through the multi-agency program facilitated by this measure. Your Committee also understands that there is also a need to protect the State from liability from claims of damage to personal property that is moved pursuant to the authority granted by this bill.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 91, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives M. Oshiro and Pendleton.

SCRep. 1031 Transportation on S.B. No. 689

The purpose of this bill is to:

- (1) Define the term "golf cart" in both chapter 286, Hawaii Revised Statutes (HRS), the highway safety law, and chapter 291C, HRS, the Statewide Traffic Code;
- (2) Require a permanent notice of operational restrictions under the law to be attached to a golf cart;
- (3) Amend chapter 291C, HRS, to regulate the operation of golf carts on state roads on islands with a population of 5,000 persons or less by:
 - (A) Providing that golf carts shall not be driven at speeds in excess of 15 miles per hour or on a highway with a speed limit of more than 20 miles per hour;
 - (B) Prohibiting the operation of a golf cart during the hours between sunset and sunrise unless the golf cart is equipped with headlights, brake lights, turn signals, and a windshield;
 - (C) Requiring golf carts to be equipped with efficient brakes, reliable steering apparatus, safe tires, a rear view mirror, and red reflectorized warning devices in both the front and rear; and
 - (D) Requiring that a golf cart be operated by a driver licensed to drive a motor vehicle or a driver sixteen years-of-age or older;
- (4) Amend chapter 291C, HRS, to clarify that:
 - (A) Persons are prohibited from operating a golf cart on any controlled-access roadway or highway; and
 - (B) A triangular slow moving vehicle emblem must be displayed on a golf cart traveling on a public highway, except when guarded by a flagperson or flare;
 and
- (5) Allow the Director of Transportation to adopt rules under chapter 91, HRS, to regulate the use of golf carts.

Currently, under National Highway Traffic Safety Administration regulations, golf carts incapable of exceeding 20 miles per hour are subject only to state and local requirements. Your Committee finds that in sparsely populated areas of the State, such as the island of Lanai, golf carts provide a safe, viable means of transportation. However, current state law does not allow for the operation of these vehicles on state highways and needs to be amended to allow for their operation in this context.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 689 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Pendleton.

SCRep. 1032 Transportation on S.B. No. 1405

The purpose of this bill is to conform state law to the Federal Motor Carrier Safety Administration's recommendation that Hawaii require proof of domicile before issuing a commercial driver license (CDL).

The Department of Transportation testified in support of this bill.

Your Committee notes that 49 Code of Federal Regulations §384.212 provides that states shall issue CDLs only to persons domiciled in the state of application, with the exception of persons residing in jurisdiction that do not comply with federal licensing standards, who may apply for a nonresident CDL from a jurisdiction that does comply. This measure will allow CDLs to be issued only to eligible persons domiciled in this State.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1405 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Pendleton.

SCRep. 1033 Transportation on S.B. No. 1478

The purpose of this bill is to:

- (1) Provide relief for airport concessionaires in the event of future, unforeseen, or catastrophic events by requiring force majeure terms to be included in airport concession contracts; and
- (2) Award the taxicab concession for state airports to an independent management company and authorize the management company to subcontract for the operation of taxis at State airports.

The Airport Concessionaires Committee, The Hertz Corporation, Wholesale Motors, Inc., dba JN Truck & Car Rental, ANC Rental Corporation, Dollar Rent A Car Systems, Inc., Island Heritage, HMS Host-Hawaii, Greeters of Hawaii, Ltd., Travelex, Hawaii Intercontinental, Konaco Specialties, Inc., A & K Nurseries, Inc., Kanoa Hawaii, Kini Po-Po Creations, Inc., APCOA/Standard Parking in Hawaii, and Island Shoppers, Inc., testified in support of this bill. The Department of Transportation (DOT) and Airlines Committee of Hawaii testified in opposition to this measure.

The events of September 11, 2001, had a devastating effect on both the airline industry and airport concessionaires. Many concessionaires still have not recovered economically from these events and continue to struggle to maintain operations at a "break even" level. Moreover, global events and the impending war with Iraq will continue to hinder the ability of airport concessionaires to increase their customer base since increased security measures at State airports allow only ticketed customers to proceed beyond security checkpoints where most concessionaires operate. This situation is beyond the control of concessionaires and they should not be held liable for failure to perform due to outside forces.

Your Committee finds that a relief mechanism should be established to assist airport concessionaires when unforeseen catastrophic events occur. This measure will provide relief and require DOT to be fair and reasonable in its dealings with airport concessionaires.

However, your Committee also understands the financial constraints faced by the State and the economic crisis the State will face in light of recent global events. Accordingly, this measure has been amended by making it apply retroactively to January 1, 2002, for purposes of further discussion. Other amendments were also 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 S.B. No. 1478, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1478, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Pendleton.

SCRep. 1034 Judiciary on S.B. No. 1131

The purpose of the bill is to eliminate the requirement that the Judiciary provide postage paid envelopes for traffic infraction notices.

The Judiciary testified in support of the bill.

Your Committee finds the cost of providing postage paid envelopes for traffic infractions notices is an unnecessary financial burden on the Judiciary.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1131 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 and Pendleton.
(Representative Marumoto voted no.)

SCRep. 1035 Judiciary on S.B. No. 611

The purpose of the bill as received is to bring Hawaii court appointed counsel fee rates in line with that for the federal District Court of Hawaii.

Your Committee received testimony in support of the measure from the Judiciary, the Department of the Attorney General, the Hawaii State Bar Association and concerned individuals. The Office of the Public Defender supported in part and provided comments. The Department of Budget and Finance provided comments.

Your Committee amended the bill by deleting its contents and inserting the contents of the H.B. No. 859, H.D. 1, with technical, nonsubstantive amendments.

The bill as amended will:

- (1) Set the reasonable compensation for court appointed counsel at \$90 per hour;

- (2) Increase the statutory maximum dollar amounts for fees; and
- (3) Make technical amendments for style and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 611, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 611, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Ito, Kanoho, M. Oshiro, Pendleton and Thielen.

SCRep. 1036 Judiciary on S.B. No. 637

The purpose of the bill is to repeal the Hawaii missing children's clearinghouse trust fund and to transfer the balance in the fund to the Friends of the Missing Child Center Hawaii, a Hawaii nonprofit corporation.

Your Committee received testimony in support of the measure from the Missing Child Center Advisory Board and a concerned individual. The Department of the Attorney General and the Hawaii Justice Foundation took no position on the matter and submitted comments.

Your Committee finds that the continued administration of the Hawaii missing children's fund by the Department of the Attorney General has given the impression to potential private donors that the fund belongs to the Department. Consequently, private donors are reluctant to contribute into the fund. An independent nonprofit corporation can effectuate the purpose of the fund; this measure would formally terminate the fund and transfer administration of the money to a private entity.

Your Committee amended the bill by making technical and nonsubstantive changes for the purpose of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 637, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 637, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Ito, Kanoho, Pendleton and Thielen.

SCRep. 1037 Judiciary on S.B. No. 1132

The purpose of this bill is to clarify the authority of the Judiciary to contract for professional services for court-appointed guardians ad litem and counsel in accordance with the state Procurement Code and based on rates established by statute.

The Judiciary testified in support of this measure and offered an amendment.

Your Committee finds that existing law permits the Judiciary to set reasonable rates of compensation and this bill clarifies the authority of the Judiciary to contract for professional services. Your Committee further finds that it is necessary for the Judiciary to have the flexibility to set reasonable rates of compensation in order to balance budget restrictions with obtaining qualified persons to serve as guardians ad litem and counsel.

Your Committee has amended this bill by replacing the Senate language with the language originally proposed by the Judiciary permitting the Judiciary to set reasonable rates of compensation when it contracts for services. This amendment reflects the language of H.B. 813 with a technical, nonsubstantive amendment.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1132, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1132, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes and Pendleton.

SCRep. 1038 Judiciary on S.B. No. 1139

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

- (1) Increase from \$35 to \$50, the Parent Education Special Fund surcharge levied against petitioners with children in matrimonial actions;
- (2) Expand the surcharge to parentage actions; and
- (3) Repeal the suggested \$15 donation from respondents in matrimonial actions.

The Judiciary testified in support of the measure and offered clarifying and technical amendments.

Your Committee finds that the surcharge imposed on petitioners with children in divorce and parentage actions funds a valuable program, Kids First. Your Committee has amended this bill at the request of the Judiciary by:

- (1) Permitting the court to assess a surcharge, that had been waived initially, against either or both parties if the court later determines that a party has the ability to pay;
- (2) Clarifying that the surcharge applies only to matrimonial actions where either party has a minor child and to all parentage actions;
- (3) Clarifying that the surcharge will be expended for parent education programs for separating parents in matrimonial actions and parties in parentage actions and their minor children; and
- (4) Making technical, nonsubstantive changes for purposes of style and clarify.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1139, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1139, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Ito, Kanoho, Pendleton and Thielen.

SCRep. 1039 Judiciary on S.B. No. 1449

The purpose of this bill is to:

- (1) Require meeting notices for videoconference public meetings of state or county boards or commissions subject to the Sunshine Law to specify that videoconference format will be available to members of the public wishing to present testimony and indicate arrangements necessary to participate by videoconference; and
- (2) Allow videoconference public meetings to continue after video transmission is broken if telephone contact can be effected.

Your Committee received testimony in support of this measure from the Office of Information Practices, the Hawaii Health Systems Corporation, and several concerned individuals.

Your Committee finds that advance notice of videoconference format will enhance public participation at meetings by videoconference. Allowing a meeting to continue after video communication breaks down, however, hurts disconnected participants who no longer can read visual display nor observe the silent conduct of those in attendance.

Accordingly, your Committee has amended this measure by deleting provisions that would allow videoconference meetings to continue without video connection.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1449, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1449, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes and Pendleton.

SCRep. 1040 Judiciary on S.B. No. 1352

The purpose of this bill is to extend the repeal date of community care foster family homes law, Act 273, SLH 2001, until June 30, 2005.

The Department of Human Services, AARP Hawaii, Case Management Council, Case Management Inc., and Queens Medical Center testified in support of the bill.

Your Committee finds that community care foster family homes provide an invaluable service that meets the needs of many individuals in the community especially at a time when quality care for elders is critical.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1352, S.D. 1, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes and Pendleton.

SCRep. 1041 Judiciary on S.B. No. 41

The purpose of this bill as received is to require public disclosure of:

- (1) Subcontracts and partnership agreements entered into by government contractors; and
- (2) Hawaii Tourism Authority's (HTA) procurement contracts even though the Authority is not subject to the State Procurement Code.

The HTA testified in support of the bill. The Department of Accounting and General Services testified in support of the intent of the bill, but opposed the procurement code section of the bill. BIA-Hawaii opposed the bill.

Your Committee has amended this bill by:

- (1) Deleting the provisions of the bill relating to the Procurement Code; and
- (2) Requiring HTA to disclose government contracts and subcontracts pursuant to the Uniform Information Practices Act.

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

Signed by all members of the Committee except Representatives Herkes and Pendleton.

SCRep. 1042 Education on S.B. No. 342

The purpose of this bill is to authorize the issuance of special purpose revenue bonds up to \$5,000,000 to finance the construction and improvement of educational facilities and land acquisition for Hanahauoli School.

Your Committee received testimony in support of this bill from the Hawaii Association of Independent Schools, Hanahauoli School, and Hawaii Business Roundtable.

Your Committee finds that the public interest is served by providing the youth of the State with quality educational services, which cannot be delivered effectively without a safe and appealing physical environment. In addition, these costs will not be borne by the State. Pursuant to the authorizing legislation, Act 257, Session Laws of Hawaii 2002, and the constitutional amendment

approved by the voters, the bonds are not a general obligation of the State, and the schools are unconditionally obligated to pay the principal and interest.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 342 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, Morita, Schatz, Leong and Ontai.

SCRep. 1043 Education on S.B. No. 395

The purpose of this bill is to authorize the issuance of special purpose revenue bonds up to \$5,000,000 to finance the planning, acquisition, construction, and improvement of educational facilities for Ho'ala School.

Your Committee received testimony in support of this bill from the Hawaii Association of Independent Schools, Ho'ala School, and Hawaii Business Roundtable.

Your Committee finds that the public interest is served by providing the youth of the State with quality educational services, which cannot be delivered effectively without a safe and appealing physical environment. In addition, these costs will not be borne by the State. Pursuant to the authorizing legislation, Act 257, Session Laws of Hawaii 2002, and the constitutional amendment approved by the voters, the bonds are not a general obligation of the State, and the schools are unconditionally obligated to pay the principal and interest.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 395, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kahikina, Morita, Schatz, Leong and Ontai.

SCRep. 1044 Education on S.B. No. 397

The purpose of this bill is to authorize the issuance of special purpose revenue bonds up to \$15,000,000 to finance the planning, acquisition, construction, and improvement of educational facilities for Mid-Pacific School.

Your Committee received testimony in support of this bill from the Hawaii Association of Independent Schools, Mid-Pacific School, and Hawaii Business Roundtable.

Your Committee finds that the public interest is served by providing the youth of the State with quality educational services, which cannot be delivered effectively without a safe and appealing physical environment. In addition, these costs will not be borne by the State. Pursuant to the authorizing legislation, Act 257, Session Laws of Hawaii 2002, and the constitutional amendment approved by the voters, the bonds are not a general obligation of the State, and the schools are unconditionally obligated to pay the principal and interest.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 397 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, Morita, Schatz, Leong and Ontai.

SCRep. 1045 Education on S.B. No. 1183

The purpose of this bill is to authorize the issuance of special purpose revenue bonds up to \$7,000,000 to finance the planning, acquisition, construction, and improvement of educational facilities for St. Patrick School.

Your Committee received testimony in support of this bill from the Hawaii Association of Independent Schools, St. Patrick School, and Hawaii Business Roundtable.

Your Committee finds that the public interest is served by providing the youth of the State with quality educational services, which cannot be delivered effectively without a safe and appealing physical environment. In addition, these costs will not be borne by the State. Pursuant to the authorizing legislation, Act 257, Session Laws of Hawaii 2002, and the constitutional amendment approved by the voters, the bonds are not a general obligation of the State, and the schools are unconditionally obligated to pay the principal and interest.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1183 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, Morita, Schatz, Leong and Ontai.

SCRep. 1046 Education on S.B. No. 58

The purpose of this bill is to appropriate funds for a grant-in-aid to Hawaii 3R's for the School Repair and Maintenance Fund.

Your Committee received testimony in support of this measure from the Department of Education, Department of Accounting and General Services, numerous Department of Education personnel, the Hawaii State PTSA, the American Society of Civil Engineers, the Chamber of Commerce of Hawaii, and numerous private construction and contracting companies. The Attorney General's Office submitted comments.

Your Committee finds that the Hawaii 3R's program has shown considerable promise as a public-private partnership to repair and maintain Hawaii's public schools. Your Committee further finds that numerous projects have been completed and the State has made considerable savings in these joint ventures.

Your Committee has amended this bill by:

- (1) Changing the term "grant-in-aid" to "grant";
- (2) Deleting reference to the School Repair and Maintenance Fund;
- (3) Requiring that funds may only be appropriated when Hawaii 3R's has been determined and designated to be a nonprofit organization by the Internal Revenue Service; and
- (4) 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 S.B. No. 58, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 58, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kahikina, Morita, Schatz, Leong and Ontai.

SCRep. 1047 Agriculture on S.B. No. 542

The purpose of this bill is to establish provisions relating to certification and labeling of organically produced agricultural products. This bill, among other things:

- (1) Allows the Department of Agriculture (DOA) to adopt rules establishing:
 - (A) Requirements for registration and recognition of certifying agents;
 - (B) Requirements for labeling of organically produced products at wholesale and retail; and
 - (C) Any other requirements necessary for enforcement of the certification and labeling provisions of this bill;
- (2) Requires any certifying agent who certifies producers of agricultural products organically produced in the State to be registered with DOA;
- (3) Requires certifying agents seeking registration with DOA to submit evidence of accreditation by the Secretary of the United States Department of Agriculture or an authorized designee;
- (4) Requires certifying agents registered in the State to submit and keep current a list of producers certified by them in the State;
- (5) Requires DOA to recognize, as certified organic, any agricultural product produced by producers in other states or countries who are certified by certifying agents in that state or country;
- (6) Requires any person claiming to be a small farmer to register with DOA in a manner established by rules;
- (7) Prohibits certifying agents from referring to compliance with the provisions of the bill to suggest that the State licenses, approves, or regulates the activities of certifying agents in certifying producers of organically produced agricultural products;
- (8) Prohibits agricultural products from being labeled "100 percent organic", "organic", "made with organic (specified ingredients or food group(s))", or claimed in any other manner to be organic, unless the product meets federal labeling requirements under title 7, Code of Federal Regulations, section 205, part D;
- (9) Exempts registered small farmers selling their products directly to the final consumer from the prohibitions established under (8), provided that the term "certified organic" or terms implying that the product has been certified by a certifying agent are not used; and
- (10) Establishes administrative penalties for persons violating the provisions of this bill.

DOA, the Hawaii Farm Bureau Federation, and Hawaii Organic Farmers Association supported this bill. The Hawaii Agriculture Research Center supported the intent of this bill.

Your Committee notes that the provisions of this bill promote the idea of "truth in labeling", and will help protect legitimate producers of organic products from unfair competition as well as ensuring that consumers receive the genuine organic products that they are seeking.

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 S.B. No. 542, S.D. 1, 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 Herkes, Karamatsu, Schatz and Halford.

SCRep. 1048 Agriculture on S.B. No. 550

The purpose of this bill is to deter and prevent agricultural theft by expanding and strengthening certification and enforcement provisions related to the ownership and movement of agricultural commodities. Among other things, this bill:

- (1) Expands the definition of "agricultural commodity" to include silvicultural products;
- (2) Repeals the minimum weight and monetary value thresholds for sales of agricultural commodities that trigger ownership certification requirements, thereby expanding the ownership certification requirements to include agricultural commodities regardless of the amount or value of such commodities; and
- (3) Allows any person authorized and designated by the Board of Agriculture to issue citations and summons related to enforcement of provisions for ownership and movement of agricultural commodities.

The Department of Agriculture (DOA), Hawaii Agriculture Research Center, Hawaii Farm Bureau Federation, Maui County Farm Bureau, Pineapple Growers Association of Hawaii, and Hawaii Forest Industry Association supported this bill.

Your Committee recognizes the chronic problem of agricultural theft. This measure will assist DOA in its efforts to address this problem.

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 S.B. No. 550, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 1049 Agriculture on S.B. No. 540

The purpose of this bill is to support Hawaii's agricultural industry by appropriating funds for the following:

- (1) Grant-in-aid to the Hawaii Farm Bureau Federation (HFBB) for agricultural research and market development; and
- (2) Pineapple research.

The HFBB, Hawaii Agriculture Research Center, Maui County Farm Bureau, Pineapple Growers Association of Hawaii, Hawaii Forest Industry Association, Gay & Robinson, Inc., Jo Ann Johnston & Company, Hawaii Export Nursery Association, and the Commodity Advisory Group supported this bill. The Department of Agriculture, University of Hawaii College of Tropical Agriculture and Human Resources, and North Shore Farms supported the intent of this bill.

Your Committee notes that agricultural research and market development are critical in ensuring that Hawaii's agricultural industry remains competitive in the global marketplace.

Your Committee has amended this bill by:

- (1) Inserting an appropriation amount of \$2,500,000 for the grant-in-aid to HFBB for each year of the fiscal biennium, to be apportioned as follows:
 - (A) \$2,000,000 for research and \$500,000 for market development for fiscal year 2003-2004; and
 - (B) \$2,000,000 for research and \$500,000 for market development for fiscal year 2004-2005;
- (2) Deleting the contents of part II of the bill relating to the appropriation for pineapple research;
- (3) Inserting the provisions of H.B. No. 155, H.D.1, which appropriates \$217,232 for fiscal year 2003-2004, and \$220,000 for fiscal year 2004-2005 for certain specific pineapple research projects; and
- (4) Making technical, nonsubstantive amendments for purposes of style and clarity.

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

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

SCRep. 1050 Agriculture on S.B. No. 1255

The purpose of this bill is to make the Department of Agriculture (DOA) more responsive to the needs of the agricultural industry by, among other things:

- (1) Authorizing DOA to:
 - (A) Enter into cooperative agreements with the United States Department of Agriculture (USDA) or other agreements and contracts with private parties or other governmental agencies to audit and certify that applicants are following good agricultural, handling, processing, and manufacturing practices;
 - (B) Designate any employee or agent of DOA to conduct the audits and certification at the request of persons having a financial interest in the business or product;
 - (C) Employ, under part VII of chapter 147, Hawaii Revised Statutes (HRS), temporary staff to assist in certification and auditing services and to charge fees to cover the cost of the temporary staff; and
 - (D) Enter into cooperative agreements with USDA for the purposes of grading beef, pork, mutton, and lamb carcasses;
- (2) Requiring DOA to fix, assess, and collect fees, established under cooperative agreement with USDA, other governmental agencies, or by rule, for the audit and certification services established under (1)(A);
- (3) Repealing certain sections relating to certifying agency and seed certification of chapter 150, HRS, relating to the Hawaii Seed Law, and establishing DOA as the official state agency for certifying the genetic purity, identity, quality, and condition of seeds under chapter 147, HRS, relating to Grades and Standards;
- (4) Changing the revolving fund used by DOA to provide inspection services for federal marketing order programs into a Certification Services Revolving Fund (CSRF) under part VII of chapter 147, HRS, to support certification or audit services for:
 - (A) Fresh fruits and vegetables;
 - (B) Flower and foliage exportation; and

- (C) Processed food;
- (5) Requiring moneys derived from certification or audit services provided by temporary staff or from charges for traveling expenses or extraordinary services to be deposited into the CSRF; and
 - (6) Repealing the Coffee Inspection Revolving Fund and transferring its unexpended balance, as of June 30, 2003, to the credit of the CSRF.

DOA supported this bill.

Your Committee has amended this bill by:

- (1) Deleting references, under part VII of chapter 147, HRS, to temporary "staff" and replacing them with references to temporary "inspectors" under the provisions relating to fees for certification and audit services and the provisions relating to the CSRF;
- (2) Clarifying that DOA shall fix, assess, and collect fees for certification or audit services provided by temporary inspectors employed under part VII of chapter 147, HRS; 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1255, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1255, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1051 Agriculture on S.B. No. 1432

The purpose of this bill is to support Kauai's economy and allow for the productive use of state facilities by appropriating funds for:

- (1) The refurbishment of the Kauai tropical fruit disinfestation facility (Facility); and
- (2) The co-location and establishment of an incubator community kitchen within the Facility.

Kauai Community College, Hawaii Farm Bureau Federation, Kauai County Farm Bureau, and five concerned individuals supported this bill. The University of Hawaii College of Tropical Agriculture and Human Resources and the Agribusiness Development Corporation supported the intent of this bill.

Your Committee recognizes the potential value of the Facility in assisting agricultural operations on Kauai and supporting Kauai's economy.

Your Committee has amended this bill by:

- (1) Inserting an appropriation of \$100,000 for the refurbishment of the Facility;
- (2) Inserting an appropriation of \$1 for the co-location and establishment of an incubator community kitchen within the Facility to promote further discussion; and
- (3) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1432, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1432, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1052 Consumer Protection and Commerce on S.B. No. 1321

The purpose of this bill is to provide for mental health parity by:

- (1) Expanding the definition of "serious mental illness"; and
- (2) Making mental health parity permanent by repealing the June 30, 2003, sunset date of Act 121, Session Laws of Hawaii (SLH) 1999.

Testimony in support of this bill was submitted by the Governor, the Department of Health, Mental Health Association in Hawaii, Hawaii Government Employees Association, Hawaii Psychiatric Medical Association, Hawaii Psychological Association, Equal Insurance Coalition, NAMI Oahu, Hawaii Coalition for Health, Hawaii Medical Association, a consumer advocate, and several concerned citizens. The Department of Commerce and Consumer Affairs, National Association of Social Workers, and Blueprint for Change testified in support of this measure and suggested amendments.

Testimony in opposition was submitted by the Chamber of Commerce of Hawaii, Hawaii Medical Service Association, and the National Federation of Independent Business. Kaiser Permanente voiced comments and concerns.

This bill includes provisions that expand the definition of "serious mental illness" to include coverage for a new set of illnesses. Whenever any new mandated health insurance coverage is proposed, section 23-51, Hawaii Revised Statutes (HRS), or the "sunrise law," requires an Auditor's report assessing the coverage's social and financial effects before it is considered by the Legislature.

The Auditor conducted a study on mental illness coverage parity in 1997. However, the report is six years old and was not conducted for the purpose of evaluating the new coverages proposed by this bill. The study assessed parity of coverage for the full range of mental health and substance abuse illnesses, and also lacked focus because the term "parity" was undefined and there was

little experience with parity in other states upon which the Auditor could rely. In addition, in 1998, mental health coverage under chapter 431M, HRS, was expanded from 12 to 24 outpatient visits. For these reasons, your Committee finds that the study does not provide assistance in evaluating the social and financial impacts of this bill and is not an appropriate basis for compliance with section 23-51, HRS.

Your Committee has reviewed the opinion of the Attorney General finding that as a matter of law, the Legislature's power to enact law is not bound by statutes enacted by prior legislatures. Your Committee is aware that it is within the power of this Legislature to repeal, amend, or ignore the sunrise law. However, your Committee believes that so long as it remains law, your Committee should comply with its spirit, intent, and terms.

The sunrise law establishes a fair and practical procedure for evaluating new health coverages and ensuring that the costs of these coverages are justified. Your Committee believes that this evaluation is not only necessary and beneficial, but that it should be applied fairly and even-handedly to all of the many new proposed health coverages that are introduced in the Legislature each session.

Further, your Committee finds that a costs study is imperative, especially given today's uncertain economic climate and the rising cost of health care, recent health plan premium increases, and the potential impact that any new mandated health benefit would have on employers.

Finally, your Committee believes that it is important to ensure that there continues to be basic mental health parity coverage as first enacted in Act 121, SLH 1999.

Accordingly, your Committee has amended this bill to replace its contents with those of H.B. No. 259, H.D. 2. This amendment:

- (1) Removes the provisions expanding the definition of "serious mental illness" to include coverages for a new set of illnesses; and
- (2) Makes the mental health parity law in Act 121, SLH 1999, permanent, by repealing its sunset date.

Your Committee understands that concurrent resolutions requesting a sunrise study of the coverages removed from this bill will be heard this session, and that upon passage of these resolutions, an Auditor's study will be available as a basis upon which the Legislature may consider enactment of these expanded coverages in the 2004 Regular Session.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1321, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 1321, H.D. 2.

Signed by all members of the Committee except Representatives Chang, Lee, M. Oshiro and Finnegan.

SCRep. 1053 Legislative Management on S.B. No. 1606

The purpose of this bill is to ensure public trust and confidence in the Legislature by:

- (1) Requiring the disclosure of fundraising solicitations made 30 days prior to or during all legislative sessions;
- (2) Adopting a conflict of interest rule for legislators;
- (3) Requiring disclosure of single sources of legislators' income over \$25,000 or 25 percent of total income;
- (4) Requiring the establishment of ethics committees in the Senate and House of Representatives to address conflict of interest issues; and
- (5) Requiring disclosures relating to potential conflicts of interests.

The State Ethics Commission, League of Women Voters of Hawaii, and a concerned individual testified in support of this bill. Life of the Land offered comments.

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 S.B. No. 1606, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Saiki.

SCRep. 1054 Legislative Management on S.B. No. 880

The purpose of this bill is to transfer the State Capitol tour service from the Office of the Governor to the Legislature.

The Department of Accounting and General Services and the State Foundation on Culture and the Arts opposed this bill.

Upon further consideration, your Committee has amended this bill by deleting its substance and inserting the substance of H.B. No. 404, which received a public hearing before your Committee on February 7, 2003. Technical, nonsubstantive amendments were also made. As amended, this bill repeals the Office of the Legislative Analyst and the Joint Legislative Budget Committee and creates the Legislative Budget Office in their place.

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 S.B. No. 880, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 880, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Saiki.

SCRep. 1055 Public Safety and Military Affairs/Transportation on S.B. No. 88

The purpose of this bill is to accommodate the highly mobile nature of military personnel by exempting them from having to obtain a seller's consent to remove a privately owned motor vehicle from the State when the vehicle is subject to an out-of-state lien.

The Department of the Army-Military Traffic Management Command testified in support of this bill.

The current statute requiring out-of-state lien consent creates problems for military personnel, because:

- (1) Their motor vehicle records cannot be cleared of lien holders even after the loan has been paid in full;
- (2) They do not receive clear title from the financial institution once the lien is satisfied; and
- (3) The purchase of lien holders of record by larger financial institutions complicates the task of obtaining lien consent.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Transportation that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 88, S.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Pendleton.

SCRep. 1056 Public Safety and Military Affairs on S.B. No. 634

The purpose of this measure is to appropriate an unspecified amount of funds to fund two drug treatment counselor positions on the island of Maui to treat women offenders who qualify for the drug court program.

Your Committee finds that the State's cost of putting an offender through the drug court program is \$8,000 a year, as compared to \$32,000 a year for incarceration. Currently, women offenders on Maui qualifying for the drug court program are sent to the mainland for treatment. Maui county provides funding for only six women each year to participate in drug treatment on the mainland at a cost of \$62,400.

Your Committee further finds that women are the fastest growing inmate population at the Maui Community Correctional Center. Your Committee believes that this measure will give Maui women who are incarcerated on drug-related charges the chance to receive appropriate treatment through the drug court program and will offer them the opportunity to make a better life for themselves and their families.

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 S.B. No. 634, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Oshiro and Pendleton.
(Representative Moses voted no.)

SCRep. 1057 Public Safety and Military Affairs on S.B. No. 1050

The purpose of this bill is to require the State to pay a deceased World War II Filipino American veteran's funeral and burial costs and the cost of transporting the remains to the Philippines, and to provide that payment shall be made directly to the mortuary or crematory providing services and transport.

The Philippine Scouts Composite Army of the United States testified in support of this bill. The Department of Defense also supported this measure, provided that its passage does not impact its priorities in the Executive Budget. The Fil-Am Veterans and Ladies Auxiliary, Hawaii Chapter, supported the intent of this bill, and the Department of Accounting and General Services offered comments.

Upon further consideration, your Committee has amended this bill by deleting its substance and inserting language that:

- (1) Requires the Office of Veterans' Services (OVS) to provide grants that shall not exceed \$2,500 to reimburse a deceased World War II Filipino veteran's (veteran) survivor or an interested party for funeral and burial expenses or the cost of transporting the remains to the Philippines;
- (2) Specifies that eligibility for the Veterans Burial Grant Program shall include the requirement that a veteran was, at the time of death, a Hawaii resident as evidenced by valid documentation of residence, or a Hawaii driver's license or identification card;
- (3) Requires OVS to complete processing any application for a burial grant and to make a determination of eligibility within seven working days following receipt of the completed application; and
- (4) Directs the OVS Director to adopt rules to implement these provisions.

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 S.B. No. 1050, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1050, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1058 Public Safety and Military Affairs on S.B. No. 344

The purpose of this bill is to increase the supply of hurricane shelter space by retrofitting public buildings with hurricane protective measures through the issuance of general obligation bonds.

The Department of Education, Department of Defense, and Hawaii State Chapter of the American Red Cross testified in support of this measure.

Your Committee has amended this bill by:

- (1) Appropriating an unspecified sum from the interest of the Hawaii Hurricane Relief Fund (HHRF) for this purpose; and
- (2) Making technical, nonsubstantive amendments for the purpose of clarity.

It is your Committee's intent that the interest in HHRF be used first to satisfy the needs for necessary hurricane shelter space before issuing any general obligation bonds.

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 S.B. No. 344, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 344, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1059 Tourism and Culture/Economic Development and Business Concerns on S.B. No. 377

The purpose of this bill is to establish a nonrefundable tax credit (Tax Credit) for qualified costs in the development of facilities for attractions and educational purposes at Ko Olina Resort and Marina.

The Department of Business, Economic Development, and Tourism (DBEDT), Department of Taxation (DOTAX), Hawaii Tourism Authority, Ko Olina Company, Ko Olina Resort and Marina, Outrigger Hotels, Hawaii Building and Construction Trades Council, Estate of James Campbell, Ironworkers Union Local 626, The Chamber of Commerce of Hawaii, and two concerned citizens supported this bill. The Coalition Against Legalized Gambling and a concerned citizen opposed this bill. The Tax Foundation of Hawaii and a concerned citizen offered comments.

Your Committees support the tax incentives provided by this measure. The Tax Credit established will help stimulate the economy in West Oahu, provide jobs for its residents, and will establish another world-class tourist attraction to further improve Hawaii's tourism industry.

However, your Committees also recognize that concerns were raised regarding accountability, especially with respect to the entities that will stand to benefit from the tax incentives contained in this measure. Your Committees note that in the public hearing of this bill, the representative from Ko Olina Company pledged to provide reports and updates on the use of the Tax Credit, including detailed analyses of the economic benefits derived by the State of Hawaii and its residents as a result of the Tax Credit.

Your Committees have amended this measure by:

- (1) Deleting the provision that establishes that if any Tax Credit is claimed, then no taxpayer shall claim a credit for any other activity or business at Ko Olina Resort and Marina;
- (2) Inserting "seawater air conditioning" into the list of infrastructure projects that qualify under the definition of "qualified costs" for the Tax Credit;
- (3) Limiting the recapture of credits to 100 percent of the total tax credits claimed for the preceding taxable year, instead of for all preceding taxable years;
- (4) Requiring that qualified taxpayers shall submit a written certified statement containing certain data relating to the Tax Credit to the Director of the Department of DBEDT, instead of the Director of DOTAX;
- (5) Requiring DBEDT to maintain records of taxpayers, verify all qualified costs, and issue a certificate to each taxpayer certifying:
 - (A) The amount of the qualified costs; and
 - (B) The amount of Tax Credit allowed to the taxpayer for the taxable year;
- (6) Requiring the taxpayer to file the certificate with the taxpayer's tax return;
- (7) Requiring DBEDT to certify no more than an unspecified amount of credits for each taxable year, and authorizing DBEDT to verify no more than an unspecified amount of qualified costs for the six years from January 1, 2004, through December 31, 2009; and
- (8) Making technical, nonsubstantive amendments for purposes of style and clarity.

Your Committees note that developers involved in Ko Olina Resort and Marina will investigate the feasibility of using seawater air conditioning technology for the facilities constructed at Ko Olina Resort and Marina.

As affirmed by the records of votes of the members of your Committees on Tourism and Culture and Economic Development and Business Concerns that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 377, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 377, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Sonson and Marumoto.

SCRep. 1060 Judiciary/Public Safety and Military Affairs on S.B. No. 361

The purpose of the bill is to expand the Weed and Seed Program (Program) with the Department of Public Safety and nonprofit corporations.

Your Committees received testimony in support of this bill from the Department of Public Safety, the Honolulu Police Department, the Downtown Neighborhood Board No. 18, the Hawaii Medical Services Association, and the Meadow Gold Dairies. The Judiciary and the Office of the Lieutenant Governor supported the intent and purpose of the measure. The Weed and Seed Hawaii Strategy supported the measure with amendments.

Your Committees find that the Program has been well-received and effective. The Program is expected to expand to other areas in the future.

As affirmed by the records of votes of the members of your Committees on Judiciary and Public Safety and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 361, S.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, M. Oshiro, Finnegan and Pendleton.

SCRep. 1061 Judiciary on S.B. No. 1560

The purpose of this bill is to authorize the State to demolish abandoned commercial or industrial facilities damaged in natural disasters where property owners, after notice, fail to take timely and appropriate remedial measures.

The Hawaii Hotel Association, the Hawaii Hotel Association-Kauai Chapter, Kiahuna Plantation Resort & The Beach Bungalows at Kiahuna, and a concerned individual testified in support of this bill.

Your Committee finds that this measure will help communities clear and rebuild after major natural disasters such as Hurricane Iniki.

Your Committee has amended this bill by:

- (1) Clarifying language requiring the property owner to "pay all costs" related to condemnation or demolition, to foreclose any interpretation that the property owner might not be entitled to reasonable compensation as a result of eminent domain proceedings; and
- (2) Authorizing rather than mandating the county to place a lien on the property to secure payment of costs for condemnation, demolition, or remediation.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1560, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 1560, H.D. 2.

Signed by all members of the Committee except Representatives Herkes and Pendleton.

SCRep. 1062 Economic Development and Business Concerns on S.B. No. 1284

The purpose of this bill is to improve the administrative rules process under the Small Business Regulatory Flexibility Act (Act). Specifically, this bill clarifies that when an agency proposes rules that affect small business, the small business impact statement that the agency must submit to the Small Business Regulatory Review Board (Review Board) and the Department Advisory Committee on Small Business after the public hearing is held, should contain a statement of comments submitted by small business at the hearing.

The Chamber of Commerce of Hawaii, AquaLung Pacific, Blue Dolphin Charters, Capt. Andy's Sailing Adventures, Capt. Beans' Cruises, Expeditions, Frogman Charters, Island Marine, Lahaina Dive and Surf, L.L.C., Prince Kuhio Maui-Molokai Sea Cruises, Ocean Tourism Coalition, Octopus Reef, and Pride Charters, Incorporated, supported this bill. The Department of Business, Economic Development, and Tourism offered comments.

Your Committee recognizes the value in clarifying the administrative rules review process under the Act. However, your Committee believes that small business will be better able to effect positive changes to proposed administrative rules if their comments on proposed rules are submitted to the Review Board at the right time in the rules review process.

Accordingly, your Committee has amended this measure by:

- (1) Requiring that the small business impact statement and proposed rules are to be submitted to the Review Board when the proposed rules are essentially complete and before the rules are submitted to the Governor for approval and public hearing; 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 Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1284, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1284, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Leong and Ontai.

SCRep. 1063 Economic Development and Business Concerns on S.B. No. 425

The purpose of this bill is to enable Hawaii's high technology companies to enter into new and emerging technology industries by:

- (1) Establishing the Hawaii Instrument Pool; and
- (2) Creating the Hawaii Instrument Pool Donation Tax Credit (Tax Credit).

This bill would enable qualifying taxpayers to be eligible for an income tax credit of up to 50 percent of the basis of the qualifying instrument at the time of the first loan from the Hawaii Instrument Pool. The Tax Credit must be claimed in the taxable year in which the qualifying instrument is returned to the pool after its first loan, as long as the credit does not exceed \$50,000 or 25 percent of the taxpayer's net income tax liability, whichever is less, in any one taxable year.

The Hawaii Technology Trade Association, Hoana Medical, Maui Scientific Research Center, Oceanit, Pacific Marine/Navatek supported this bill.

The High Technology Development Corporation and Hoku Scientific, Inc., supported the intent of this bill.

The Department of Taxation, Tax Foundation of Hawaii, and Maui Light, Lasers and Electronic Design submitted comments.

Your Committee has amended this bill by:

- (1) Changing the amount of the tax credit from 50 to 10 percent;
- (2) Changing the maximum credit from \$50,000 to \$10,000; and
- (3) Changing the effective date to July 1, 2020, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 425, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 425, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Abinsay, Herkes, B. Oshiro and Ontai.

SCRep. 1064 Economic Development and Business Concerns on S.B. No. 426

The purpose of this bill is to expand the scope of data collection and dissemination performed by the Director of the Department of Business, Economic Development, and Tourism (DBEDT). Specifically, this bill:

- (1) Requires the Director of DBEDT, in consultation and cooperation with all affected government agencies, to inventory all economic, demographic, environmental, and social science data available from all government agencies and relevant data from other jurisdictions, including data and indices related to the high technology industry;
- (2) Requires DBEDT to disseminate all the information that it collects and analyzes to government agencies and the public on a timely basis; and
- (3) Requires DBEDT to create an Internet website for government agencies and the public to serve as a single point of access to the data collected.

The Department of Accounting and General Services and Enterprise Honolulu supported the intent of this bill. DBEDT offered comments.

Your Committee recognizes that expanded data collection and dissemination are critical for the development of effective economic policies for the State, and in allowing the public increased access to important statistics and information.

Your Committee notes, however, that Hawaii's economy will also benefit from the establishment of an ocean science center to support research and training related to ocean sciences in Hawaii. Hawaii's unique geographical location affords our State rare opportunities and advantages with respect to ocean science initiatives.

Therefore, your Committee has amended this measure by deleting its contents and inserting the provisions of H.B. No. 1395, H.D.1. As amended, this bill:

- (1) Extends through the 2003-2005 fiscal biennium, the authority of the Hawaii Community Development Authority (HCDA) to issue special facility revenue bonds (SFRBs) for constructing, furnishing, and equipping an ocean science center (Center) in Kakaako;
- (2) Increases from \$20,000,000 to \$40,000,000 the amount of SFRBs that HCDA may issue for the Center; and
- (3) Amends the definition of "special facility" to include an ocean science center that incorporates training programs.

Although your Committee has amended this bill by deleting its contents, your Committee understands the merits of expanding data collection and dissemination by DBEDT. Your Committee, therefore, has inserted the contents of S.B. No. 426, S.D. 1 into S.B. No. 1253, H.D. 1.

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 S.B. No. 426, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 426, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Tamayo, Leong and Ontai.

SCRep. 1065 Economic Development and Business Concerns on S.B. No. 1253

The purpose of this bill is to provide objective benchmarks in measuring Hawaii's progress in transitioning towards a globally competitive economy by requiring the Department of Business, Economic Development, and Tourism (DBEDT) to track and annually report on certain new economy indicators for the State.

In addition, this bill requires DBEDT to collaborate with higher educational institutions, economists, and other public-private partners to make its new economy indicators available to the widest extent possible.

Enterprise Honolulu supported the intent of this bill. DBEDT opposed this measure.

Your Committee recognizes the critical need for information related to the New Economy, including data related to the development and growth of high technology in the State. Your Committee notes that S.B. No. 426, S.D. 1, also contains provisions, including the establishment of a state website, that expand data collection and dissemination conducted by DBEDT.

In light of this, your Committee has amended this bill by:

- (1) Incorporating the provisions of S.B. No. 426, S.D.1, which requires:

- (A) The Director of DBEDT, in consultation and cooperation with all affected government agencies, to inventory all economic, demographic, environmental, and social science data available from all government agencies and relevant data from other jurisdictions, including data and indices related to the high technology industry;
 - (B) DBEDT to disseminate the information collected and analyzed to government agencies and the public on a timely basis; and
 - (C) DBEDT to create an Internet website for government agencies and the public to serve as a single point of access to the data collected;
- and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

In spite of the increased public access provided by this bill as amended, it is not the intent of your Committee to infringe upon the civil liberties and the rights of confidentiality and privacy that are afforded to the entities affected by this bill. This bill is intended to allow better tracking and collection of economic data, not individuals. If this continues to remain a concern, your Committee supports future legislative efforts to address this issue.

Your Committee believes that inclusion of the Hawaii Institute for Public Affairs and the University of Hawaii Economic Research Organization in the data collection and analysis provisions contained in this bill warrants favorable consideration and supports future legislative efforts to include these entities in this bill.

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

Signed by all members of the Committee except Representatives Tamayo, Leong and Ontai.

SCRep. 1066 Economic Development and Business Concerns on S.B. No. 1172

The purpose of the bill is to support commercial airlines by:

- (1) Establishing an income tax credit for landing fees paid by a principle operator of a commercial airline;
- (2) Defining "principle operator" as an individual or corporate taxpayer who derives at least 51 percent of the taxpayer's gross annual income from commercial airlines operations;
- (3) Requiring the Department of Taxation (DOT) to submit a yearly report to the Legislature containing certain data, analysis, and recommendations relating to the tax credit;
- (4) Authorizing the Director of Transportation (Director) to waive airport landing fees, joint use charge fees, and exclusive use terminal rental fees payable by qualifying air carriers for a 30-day period; and
- (5) Authorizing the Director to defer payment of airport landing fees, joint use charge fees, and exclusive use terminal rental fees payable by qualifying air carriers for two subsequent 30-day periods.

Testimony in support of the measure was received from two concerned citizens. Hawaiian Airlines, Airlines Committee of Hawaii, The Chamber of Commerce of Hawaii, and a concerned citizen supported the intent of this bill. DOT submitted testimony in opposition to this bill. The Tax Foundation of Hawaii submitted comments.

Your Committee believes that the tax incentives contained in this bill are essential in supporting commercial airliners, especially in light of the current conflict in Iraq. Your Committee recognizes, however, that several concerns were raised regarding certain provisions of the bill, including:

- (1) Conditions and requirements to qualify for the tax credit, waivers, or deferrals;
- (2) The limited time period for waivers and deferrals; and
- (3) Potential conflict with existing laws that grant the Governor the power to waive fees and provide assistance.

Your Committee recommends that these concerns continue to be addressed throughout the rest of the legislative process. While the intent of this measure is to provide immediate relief, your Committee does not intend for this bill to limit the flexibility of DOT and the administration in waiving fees, as necessary, during unforeseen economic conditions.

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 S.B. No. 1172, S.D. 2, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Tamayo, Leong and Ontai.

SCRep. 1067 Economic Development and Business Concerns on S.B. No. 1517

The purpose of this bill is to support efforts to preserve and protect Hawaii's natural resources by:

- (1) Increasing the percentage of conveyance tax revenue paid into the Natural Area Reserve Fund (Reserve Fund) to 35 percent;
- (2) Clarifying that funds from the Reserve Fund shall be disbursed by the Department of Land and Natural Resources (DLNR) for natural area partnership and forest stewardship programs after joint consultation with the Forest Stewardship Committee and the Natural Area Reserves System Commission; and

- (3) Including management of the Natural Area Reserves System and early detection and rapid response programs for invasive species in the list of programs that receive disbursements by DLNR from the Reserve Fund.

In addition, this bill:

- (1) Increases the conveyance tax from 10 cents per \$100 to 20 cents per \$100 of the actual and full consideration on transfers or conveyances of realty valued at \$600,000 or greater; and
- (2) Increases the percentage of conveyance tax revenue paid into the Rental Housing Trust Fund (Trust Fund) to 35 percent.

Testimony in support of this bill was received from the Office of Hawaiian Affairs, Big Island Invasive Species Committee, 'Ahahui Malama I Ka Lokahi, Catholic Charities Hawaii Elderly Services, Conservation Council for Hawaii, East Maui Watershed Partnership, East Molokai Watershed Partnership, Hawaii Audubon Society, Hawaiian Botanical Society, 'Ilio'ulaokalani Coalition, Kahea: The Hawaiian-Environmental Alliance, Ko'olau Mountains Watershed Partnership, Maui Invasive Species Committee, Na Koa Ikaika, Na Leo Pohai, Coordinating Group on Alien Pest Species, Oahu Invasive Species Committee, Kauai Invasive Species Committee, Molokai Invasive Species Committee, The Hawaii People's Fund, The Nature Conservancy of Hawaii, The Trust for Public Land, Limu Coalition, and numerous concerned individuals. DLNR and the Land Use Research Foundation of Hawaii supported the intent of this bill. Tax Foundation of Hawaii submitted comments. The Department of Taxation opposed this bill.

Your Committee finds that the increase in the conveyance tax established in this bill will provide essential funding for environmental protection and affordable rental housing, without adversely affecting the vast majority of real estate transactions.

Your Committee has amended this bill by:

- (1) Revising the conveyance tax rate to:
- (A) 20 cents per \$100 of such actual and full consideration paid in the amount of \$600,000 or greater but less than \$1,000,000; or
- (B) 30 cents per \$100 of such actual and full consideration paid in the amount of \$1,000,000 or greater;
- (2) Changing the amount of conveyance tax revenues paid into:
- (A) The Reserve Fund to 32 percent; and
- (B) The Trust Fund to 28 percent;
- 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 Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1517, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.B. No. 1517, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Tamayo, Leong and Ontai.
(Representative Jernigan voted no.)

SCRep. 1068 Economic Development and Business Concerns/Health on S.B. No. 1446

The purpose of this bill is to appropriate a portion of the Hawaii tobacco settlement funds from the Emergency and Budget Reserve Fund (Rainy Day Fund) to support Hawaii-based development of healthcare and biomedical technology to detect cancer in its early stages.

The Hawaii Technology Trade Association and several representatives from Science and Technology International (STI) supported this bill.

The Department of Business, Economic Development, and Tourism supported the intent of this bill.

The Department of Budget and Finance opposed this bill.

Your Committees concur with the concerns about the use of tobacco settlement moneys for cancer detection development. While it may be a legitimate and noble purpose, cancer detection development does not rise to a level of an emergency justifying the use of Rainy Day Fund moneys.

Accordingly, your Committees have amended this bill by:

- (1) Deleting the allocation of Rainy Day Fund moneys for cancer detection development;
- (2) Establishing a Cancer Detection Development Revolving Fund (Revolving Fund) within the Hawaii Strategic Development Corporation to assist enterprises that develop healthcare and biomedical technology to detect cancer in its early stages;
- (3) Appropriating \$1 to be deposited into the Revolving Fund to facilitate further discussion; and
- (4) Making other technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Economic Development and Business Concerns and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1446, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1446, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Ontai, Kahikina, Takai, Takumi and Finnegan.

SCRep. 1069 Human Services and Housing on S.B. No. 883

The purpose of this bill is to support efforts to investigate suspected incidences of dependent adult abuse, including financial exploitation, by appropriating funds to establish the following positions in the Department of Human Services (DHS), Adult Protective Services Program:

- (1) One Social Worker IV;
- (2) One Auditor III; and
- (3) One Social Services Assistant III.

The Adult and Community Care Services Branch Advisory Council and a concerned citizen supported this bill. DHS offered comments.

Your Committee has amended this measure by:

- (1) Changing the appropriation amount to \$1 to promote 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 Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 883, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 883, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hale, Kawakami, Takumi and Stonebraker.

SCRep. 1070 Human Services and Housing on S.B. No. 884

The purpose of this bill is to appropriate funds to the Department of Human Services (DHS) for the Residential Alternative Community Care Program, the Hawaii Prepaid Medicaid Management Information System, and the Chore Services Program.

The Queen's Medical Center, Hawaii Coalition of Care Home Administrators, Eldercare Hawaii, and a concerned individual testified in support of this bill. DHS opposed this measure.

The Residential Alternative Community Care Program provides qualified individuals with placements in community-based residential facilities, including adult foster homes, adult residential care homes, and assisted-living facilities, as a less costly alternative to institutional care. These individuals are Medicaid-eligible adults who require nursing-facility-level care and are unable to benefit from in-home services because they have no caregiver or residence.

The federal government requires the State to process all Medicaid payments through a federally-approved claims system. Consequently, the State has implemented the Hawaii Prepaid Medicaid Management Information System to process Medicaid waiver claims.

The Chore Services Program provides essential housekeeping services to enable eligible disabled clients to remain living in the community. Clients employ their own service providers who are paid minimum wage.

Your Committee has amended this bill by:

- (1) Inserting an appropriation amount of \$1 for each of the programs for the purpose of continued discussion; and
- (2) Making technical, nonsubstantive amendments to conform to standard drafting conventions.

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 S.B. No. 884, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 884, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hale, Kawakami, Takumi and Stonebraker.

SCRep. 1071 Health on S.B. No. 325

The purpose of this bill is to authorize the issuance of up to \$200,000,000 in special purpose revenue bonds (SPRBs) to upgrade, renovate, and expand the health care facilities of The Queen's Health Systems.

The Queen's Health Systems, Healthcare Association of Hawaii, Hawaii Building and Construction Trades Council, and Laborers' International Union of North America Local 368 AFL-CIO submitted testimony in support of this bill.

Your Committee finds that the issuance of SPRBs under this bill will allow for the construction of new facilities and the upgrade, expansion, and renovation of existing health care facilities under The Queen's Health System.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 325 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, Shimabukuro, Takai and Finnegan.

SCRep. 1072 Health on S.B. No. 661

The purpose of this bill is to prevent sexual assault through funding of Department of Health (DOH) prevention programs by:

- (1) Establishing the Sexual Assault Prevention Special Fund (Fund) to be administered by DOH for this purpose; and
- (2) Increasing the marriage license fee and dedicating a portion to the Fund.

The Sex Abuse Treatment Center and Planned Parenthood of Hawaii testified in support of this measure. DOH opposed this measure.

Your Committee finds that:

- (1) Sexual assault is often not reported, particularly among youth;
- (2) Statistics show that sex assault education is critical in protecting children and other at-risk groups from sexual assaults;
- (3) Education programs also promote increased reporting of sexual assaults; and
- (4) The primary provider of sexual assault prevention education can no longer provide a comprehensive statewide service delivery system because of a dramatic decrease in funding.

Your Committee has amended this bill by deleting its contents and inserting provisions that:

- (1) Amend the Spouse and Child Sex Abuse Special Account administered by the Department of Human Services to rename it the Spouse, Child, and Sex Abuse Special Account, and require that in addition to funding spouse or child abuse intervention services it will also provide sexual abuse prevention services; and
- (2) Amend the Spouse and Child Sex Abuse Special Account administered by the Judiciary to rename it the Spouse, Child, and Sex Abuse Special Account, and require that it will provide sexual abuse prevention services in addition to spouse and child abuse intervention services.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 661, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 661, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kahikina, Shimabukuro, Takai and Finnegan.

SCRep. 1073 Health on S.B. No. 745

The purpose of this bill is to provide emergency medical services to rural communities by:

- (1) Require the Department of Health (DOH) to establish emergency aeromedical services throughout the state;
- (2) Appropriating funds for an emergency helicopter aeromedical service for Maui County;
- (3) Appropriating funds for emergency services, including ambulance services, for the Waianae Coast Comprehensive Health Center (WCCHC);
- (4) Appropriating funds for ambulance services for the Kihei-Wailea region of Maui; and
- (5) Appropriating funds for ambulance services for the Hawaiian Ocean View Estates region on the island of Hawaii.

The Mayor of Maui County, Hawaii County Fire Department, Hawaii Health Systems Corporation, Healthcare Association of Hawaii, American Medical Response, WCCHC, Molokai General Hospital, Maui Hotel Association, Maui Memorial Medical Center, Wailea Community Association, several members of the Maui County Council, a member of the Hawaii County Council, Maui County Executive on Aging, and many concerned individuals testified in support of this measure. DOH supported the intent of this measure. Hawaii Air Ambulance supported this measure with amendments. Several concerned individuals opposed this measure. Numerous individuals commented.

Your Committee finds that rural areas are in dire need of emergency medical services. Because of their remote location, emergency services often are not provided in a timely manner in these rural areas. Your Committee finds further that the County of Maui would greatly benefit from aeromedical helicopter services, and that ambulance service is a state function and should not require county funds.

Your Committee has amended this bill by:

- (1) Requiring that emergency helicopter utilization be based on national standards and guidelines;
- (2) Removing the reference to emergency medical services at WCCHC and instead appropriating funds for an ambulance to serve the Waianae area;
- (3) Eliminating the requirement for matching county funds, with the exception of the emergency helicopter aeromedical service for Maui County; 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 S.B. No. 745, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 745, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kahikina, Shimabukuro, Takai and Finnegan.

SCRep. 1074 Health on S.B. No. 1241

The purpose of this bill is to repeal the law requiring hospitals to offer a uterine cytologic examination for cancer detection to every female inpatient 20 years-of-age or older unless the exam is contraindicated by the attending physician or was performed within the previous year.

The Healthcare Association of Hawaii testified in support of this measure. The Department of Health (DOH) supported the intent of this measure. The Hawaii State Commission on the Status of Women, Planned Parenthood of Hawaii, and a concerned individual opposed this measure.

Your Committee finds that the requirement for hospitals to offer a uterine cytologic examination was established almost 30 years ago when the exam was rarely given. The examination is now part of routine gynecological examinations.

Your Committee has amended this bill by changing the effective date to July 1, 2020, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1241, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1241, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kahikina, Shimabukuro, Takai and Finnegan.

SCRep. 1075 Health on S.B. No. 1357

The purpose of this bill is to streamline the registration process of births and deaths occurring in the State by allowing adopting a centralized, direct process from the registration of vital events.

The Department of Health (DOH) testified in support of this measure. The Hawaii Funeral Directors Association and Dodo Mortuary, Inc., opposed this measure.

Your Committee finds that currently, the counties must file the paperwork for the registration of vital events with the DOH, located in Honolulu. DOH is in the process of converting the paper-based registration process into an electronic process, which would allow for a faster and more streamlined process that would allow DOH to issue birth, death, and marriage certificates in a more timely fashion.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2004, to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1357, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1357, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kahikina, Shimabukuro, Takai and Finnegan.

SCRep. 1076 Health on S.B. No. 665

The purpose of this bill is to provide for a more effective administration of the Prepaid Health Care Act.

Specifically, this bill:

- (1) Prohibits persons representing a health maintenance organization (HMO), a mutual benefit society that issues individual and group hospital or medical service plans, or any other health care organization from serving as a member on the Prepaid Health Care Advisory Council (Council); and
- (2) Allows the Governor to appoint the chairperson of the Council.

The Hawaii Medical Association testified in support of this measure. The Department of Labor and Industrial Relations supported this measure with amendments.

Your Committee finds that an appearance of impropriety may exist, if persons representing a HMO, a mutual benefit society that issues individual and group hospital or medical service plans or any health care organization, are members of the Council. The absence of representation by health care contractors will improve the current environment by assuring the public that the Council performs its duties in a fair and equitable manner, without influence of health care contractors or their agencies.

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

- (1) Deleting a contradictory provision allowing the Governor to appoint the Council Chair; 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 S.B. No. 665, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 665, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Takai.

SCRep. 1077 Health on S.B. No. 624

The purpose of this bill is to update the informed consent law to be consistent with current medical standards and Hawaii Supreme Court decisions.

The Healthcare Association of Hawaii, Kaiser Permanente, HAPI's Physicians' Indemnity Plan, Hawaii Health Systems Corporation, Medical Insurance Exchange of California, Hawaii Medical Service Association, Hawaii Medical Association, Hawaii Association of Health Plans, and several concerned individuals testified in support of this measure. Consumer Lawyers of Hawaii and the Hawaii Coalition for Health opposed this measure and suggested an amendment.

Your Committee finds that Hawaii's informed consent bill was originally developed from the rules of the Board of Medical Examiners (BME). Since that time, the BME has substantially amended its informed consent regulations, creating uncertainty among

physicians and patients, alike. In addition, several Hawaii Supreme Court decisions have established an informed consent standard that should be reflected in the current statute.

Your Committee has amended this bill by:

- (1) Replacing the reference to required disclosure of "substantial" risks, with "material" risks, to provide a clearer guideline for disclosure; 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 S.B. No. 624, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 624, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Kahikina, Shimabukuro, Takai and Finnegan.

SCRep. 1078 Health on S.B. No. 889

The purpose of this bill is to require premises licensed to sell intoxicating liquor to post warning signs that consumption of alcoholic beverages may impair an individual's ability to drive a car and may cause birth defects.

Healthy Mothers, Healthy Babies testified in support of this measure. The Legislative Information Services of Hawaii submitted comments.

Your Committee finds that unintentional alcohol exposure is likely to occur early in pregnancy before a woman knows she is pregnant. Statistics show that each year, more than 40,000 babies are born with some degree of alcohol-related defects.

Your Committee has amended this bill by amending the wording of the sign to include possible penalties of driving while legally intoxicated, and the possibility of birth defects for women who consume alcoholic beverages while pregnant.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 889, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 889, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Kahikina, Shimabukuro, Takai and Finnegan.

SCRep. 1079 Health on S.B. No. 1356

The purpose of this bill is to:

- (1) Require the reporting of fetal deaths and intentional terminations of pregnancy;
- (2) Amend the definition of "fetal death";
- (3) Amend the process of registering death events; and
- (4) Allow a patient's next of kin to access the patient's medical records.

The Department of Health, Healthcare Association of Hawaii, Kaiser Permanente, and Hawaii Medical Association testified in support of this measure. Dodo Mortuary, Inc., and the Hawaii Funeral Directors Association opposed this measure. The Hawaii Medical Service Association provided comments.

Your Committee finds that death registration process needs to be updated to accommodate the transition from a paper-based system to an electronic system. While funeral directors would like the process to be streamlined, they are concerned about the methods in which deaths will be registered.

Your Committee has amended this bill by:

- (1) Removing the provision allowing a patient's next of kin to access the patient's medical records;
- (2) Changing the effective date to July 1, 2004, to facilitate further discussion; and
- (3) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1356, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1356, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Kahikina, Shimabukuro, Takai and Finnegan.

SCRep. 1080 Labor and Public Employment on S.B. No. 435

The purpose of this bill is to provide health benefit plan choices by:

- (1) Requiring the Employer-Union Health Benefits Trust Fund to establish flexible health benefit option plans for retirees to select benefits coverage under separate option categories; and
- (2) Allowing employee-beneficiaries whose spouses are not public employees or retired public employees to enroll in these plans.

The Hawaii State Teachers Association testified in support of this bill. The Department of Budget and Finance opposed this measure.

Your Committee concurs with the Senate Committee on Ways and Means that the establishment of flexible health benefits option plans provided for in this bill will allow retired public employees to select benefits coverage tailored to their needs. With the

ever-increasing cost of health care, your Committee finds that this measure may assist the State to contain these costs, while allowing retirees to select coverage that they specifically need.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 435 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1081 Labor and Public Employment on S.B. No. 1426

The purpose of this bill is to:

- (1) Establish a separate collective bargaining unit for substitute teachers employed by the Department of Education; and
- (2) Provide for impasse resolution for members of the new collective bargaining unit.

The Laborers' International Union of North America Local 386, AFL-CIO testified in support of this bill. The Department of Education opposed this measure.

Substitute teachers provide a valuable service to the State's educational system. However, these individuals are currently without any form of representation within the public school system. Moreover, your Committee was informed that oftentimes, depending upon the situation at the public school the substitute is assigned to, substitute teachers are treated like second-class citizens, at times being asked to clean bathrooms, make coffee, and perform clerical services for permanent, full-time instructors. Your Committee finds that this problem can be mitigated through the establishment of a new collective bargaining unit for substitute teachers that would allow for fair and equal representation and give them the ability to collectively bargain for better working conditions.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1426, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1082 Labor and Public Employment on S.B. No. 1332

The purpose of this bill is to update outdated salaries of the Executive Branch by:

- (1) Establishing an Executive Salary Commission (Commission) to review salaries of the Governor, Lieutenant Governor, and other executive officials and make recommendations for salary increases to the Legislature;
- (2) Providing that the recommendation of the Commission take effect at the beginning of the fiscal year after the year in which the recommendation is made; and
- (3) Providing for legislative oversight by allowing for the rejection of a recommended salary increase by the Commission by a three-fourths vote of each house of the Legislature.

The Department of Human Resources Development, Department of the Attorney General, and Judiciary testified in support of this measure.

Salaries of officials of the Executive Branch are statutorily established. The present Executive Branch officials' salaries have not been modified since 1990, resulting in grossly outdated salaries when compared to other states and the private sector. At times this has caused difficulties in attracting the most highly qualified candidates. Moreover, many subordinates of executive branch officials who are covered by collective bargaining have received salary increases that at times have been higher than their supervisors.

Your Committee finds that salary commissions have been established in both the Legislative and Judicial Branches of government, as well as in the counties, to review and update compensation of various officials. This same process can be applied to the Executive Branch in order to maintain updated salaries that are at a level commensurate with responsibilities.

However, your Committee notes that the Commission of Legislative Salaries is constitutionally established and required to meet every eight years to make recommendations regarding salary increases for legislative officials. Your Committee feels that the process applied to legislative salaries should also apply to executive salaries. Accordingly, your Committee has amended this measure by:

- (1) Requiring the Commission to convene in the month of November 2003, and every eight years thereafter, to make recommendations regarding salary increases of the Governor, Lieutenant Governor, and other executive officials;
- (2) Requiring the Commission to submit a report of its findings and recommendations to the Legislature, through the Governor, not later than the fortieth legislative day of the Regular Session of 2004, and every eight years thereafter;
- (3) Specifying that the recommended salaries submitted by the Commission shall become effective July 1 of the fiscal year after the legislative session in which the recommendation is submitted;
- (4) Providing for legislative disapproval of the salary recommendations of the Commission through the adoption, by a simple majority vote of both houses of the Legislature, of a concurrent resolution prior to adjournment sine die of the legislative session in which the recommendation is submitted;
- (5) Providing for the Governor's disapproval of the salary recommendations of the Commission by a message of disapproval transmitted to the Legislature prior to adjournment sine die; and
- (6) 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 Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1332, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1332, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1083 Labor and Public Employment on S.B. No. 1333

The purpose of this bill is to establish a means for setting judicial salaries that provides a regular and equitable review of salaries by:

- (1) Authorizing the Judicial Salary Commission (Commission) to determine the salaries of supreme court justices, intermediate court of appeals, circuit court, and district court judges, and appointed administrative officers of the Judiciary;
- (2) Providing that this authorization shall begin on July 1, 2004; and
- (3) Providing for legislative oversight by allowing for the rejection of a recommended salary increase by the Commission by a two-thirds vote of each house of the Legislature.

The Judiciary, Department of the Attorney General, Department of Human Resources Development, Judicial Salary Commission, National Center for State Courts-Court Consulting Services, Hawaii State Bar Association, and American Judicature Society-Hawaii Chapter testified in support of this measure.

The Commission currently makes recommendations for judicial salary increases. However, because of economic difficulties faced by the State, as well as political pressures, regular pay increases and adjustments for judges and justices have not occurred. On average, judicial officials have received pay increases, every 5.4 years. Your Committee finds that by authorizing the Commission to determine judicial salaries, more qualified individuals will seek positions as a judicial official and more will remain to continue to serve the public.

Upon further consideration, your Committee believes that the Commission of Legislative Salaries which is required to meet every eight years to make recommendations regarding salary increases for legislative officials can be instructive in the work of the Commission. Your Committee finds that the process applied to legislative salaries should also apply to judicial salaries. Accordingly, your Committee has amended this measure by:

- (1) Requiring the Commission to convene in the month of November 2003, and every eight years thereafter to determine the salaries of supreme court justices, intermediate court of appeals, circuit court, and district court judges, and appointed administrative officers of the Judiciary;
- (2) Requiring the Commission to submit a report of its findings and salary determinations to the Legislature, through the Chief Justice, with a copy also filed with the Governor not later than the fortieth legislative day of the Regular Session of 2004, and every eight years thereafter;
- (3) Specifying that the salaries determined by the Commission shall become effective at the beginning of the next fiscal year after the legislative session in which the determination is submitted;
- (4) Providing for legislative disapproval of the salary determinations of the Commission through the adoption, by a simple majority vote of both houses of the Legislature, of a concurrent resolution prior to adjournment sine die of the legislative session in which the determination is submitted;
- (5) Providing for the Governor's disapproval of the salary determinations of the Commission by a message of disapproval transmitted to the Legislature prior to adjournment sine die;
- (6) Providing for the automatic review and determination of the salaries of supreme court justices, intermediate court of appeals, circuit court, and district court judges, and appointed administrative officers of the Judiciary; and
- (7) 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 Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1333, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1333, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1084 Labor and Public Employment on S.B. No. 789

The purpose of this bill is to allow more time for an orderly transition from the Hawaii Public Employees Health Fund (Employees Health Fund) to the Hawaii Employer Union Health Benefits Trust Fund (Employer Trust Fund) established under Act 88, Session Laws of Hawaii 2001, by extending from July 1, 2003, to July 1, 2004, the date at which various transfers from the Employees Health Fund to the Employer Trust Fund are required to take place.

Your Committee circulated a proposed House Draft 1 for public review and comment. The proposed S.B. No. 789, H.D. 1 would:

- (1) Restore health fund benefits to retirees that were previously adjusted pursuant to the enactment of Act 88, SLH 2001, which created the Employer Trust Fund;
- (2) Require annual audits of employee organization health benefit plans; and
- (3) Require the employer contribution cap on monthly contributions for retiree health benefit plans under the Employer Trust Fund to be adjusted annually, beginning July 1, 2002.

The Employer Trust Fund, Retirees Unit HGEA-AFSCME Local 152, Hawaii State Teachers Association, Hawaii State Retired Teachers Association, and a concerned citizen supported this bill. The Department of Budget and Finance submitted testimony in opposition to the bill. Oahu Retired Teachers Association offered comments.

Your Committee has learned from the Employer Trust Fund that it is on schedule to begin providing health benefits on July 1, 2003, and your Committee therefore finds it unnecessary to amend related sections of the Employees Health Fund to provide a transitional delay.

The Employer Trust Fund has informed your Committee that on March 13, 2003, its Board of Trustees approved health benefits and corresponding premium rates for plans effective July 1, 2003, and July 1, 2004. Your Committee has also been informed that the Employer Trust Fund contribution caps for retiree health benefits for plans taking effect on July 1, 2003, are sufficient and will cover 100 per cent of retiree premium costs.

However, with respect to plans taking effect on July 1, 2004, the Employer Trust Fund testified that retiree premium rates could increase by as much as 21 per cent. With the current employer contribution caps in place, it is likely that retirees will face either paying a portion of the increased premium rates or a reduction in health benefits. Your Committee is extremely concerned about the absorption of a 21 per cent increase by retirees, most of whom may be living on a fixed income.

Accordingly, your Committee has determined that an adjustment to the Employer Trust Fund contribution caps for retiree health benefits is needed beginning July 1, 2004. Thereafter, beginning July 1, 2005, your Committee finds that the contribution caps should be adjusted annually. Your Committee believes the adjustments are needed to ensure that the contribution caps remain commensurate with the rising costs of health care.

However, bearing in mind the cost containment objectives of Act 88, SLH 2001, your Committee also wishes to adopt the amendments proposed by the Department of Budget and Finance.

Upon further consideration, your Committee has amended this measure by deleting its contents and inserting the provisions concerning employer contributions for health benefit plans. As amended, this bill, among other things:

- (1) Establishes a schedule of caps on the base monthly employer contribution rates for employee-beneficiary health benefit plans to take effect on July 1, 2004;
- (2) Prohibits monthly contributions by the State or county from exceeding the actual cost of the health benefit plan or plans;
- (3) Establishes that the monthly contributions by the State or county shall not be required to cover benefits above those initially contracted for by the Employer Trust Fund for plan year 2004-2005;
- (4) Clarifies that the employer's base composite monthly contribution shall be adjusted annually, beginning July 1, 2005;
- (5) Requires the adjusted base monthly contribution to be computed using the actual contracted premium rate as of July 1, 2004, for Medicare and non-Medicare, self and family health benefit plans with the highest actual contracted premium rate as of July 1, 2004; and
- (6) Appropriates \$12,500,000 for additional state employer contributions for state retiree health benefit plans.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 789, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 789, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1085 Labor and Public Employment on S.B. No. 768

The purpose of this bill is to minimize the disruption of public services and programs by reinstating binding arbitration for employees of collective bargaining units (2), (3), (4), (6), (8), and (13) in the event of an impasse between the employer and the exclusive representative of the collective bargaining unit.

The Honolulu Police Department testified in support of this measure. The Hawaii Government Employees Association testified in support of the intent of this measure. The Department of Human Resources Development (DHRD), Department of the Attorney General (AG), and Office of Collective Bargaining and Managed Competition testified in opposition to this bill.

The "right to strike" by public employees of specific bargaining units was reinstated in 2000 by Act 253, Session Laws of Hawaii 2000, otherwise known as the Civil Service Reform Act. At the time, it was believed that reinstating the "right to strike" would promote meaningful and forthright bargaining by both labor and management. However, concerns were raised regarding the impact a strike by public workers would have on the provision of necessary governmental services and the State's fragile economy.

Your Committee finds that the use of binding arbitration is a reasonable way of settling labor disputes between a public employer and an exclusive representative of a collective bargaining unit. Through the use of arbitration, continuity of governmental services remains intact, and there is no disruption in the provision of public services and programs. Moreover, the use of a neutral third party to render a decision on a dispute between a public employer and an exclusive representative of a collective bargaining unit appears to be fair to all parties involved.

However, your Committee understands the concerns raised by DHRD regarding the concept of essential workers. Accordingly, your Committee has amended this bill by:

- (1) Inserting language defining an "essential worker" and "essential position";
- (2) Clarifying that any employee designated "essential" by an employer shall not have the ability to strike;
- (3) Allowing the public employer to petition the board to conduct an investigation as to the effects a strike may have on the health and safety of the public;
- (4) Requiring the board, if the board through its investigation finds that danger to the health or safety of the public is present or imminent, to establish specific requirements that must be complied with by both the public employer and employees in order to avoid or remove the imminent or present danger;
- (5) Establishing requirements the public employer must meet to notify an employee of the employee's designation as an "essential employee"; and

- (6) 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 Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 768, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 768, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.
(Representatives Blundell, Moses and Pendleton voted no.)

SCRep. 1086 Higher Education on S.B. No. 534

The purpose of this bill is to appropriate funds for various programs of the University of Hawaii at Manoa College of Tropical Agriculture and Human Resources (UH-CTAHR).

The Pacific International Center for High Technology Research, Hawaii Forest Industry Association, Tropical Hawaiian Products, Maui Pineapple Company, Ltd., Maui County Farm Bureau, Kilauea Agronomics, LLC, Hawaiian Commercial & Sugar Company, Hawaii Farm Bureau, Pineapple Growers Association of Hawaii, Nalo Farms, and an individual submitted testimony in support of this bill. UH-CTAHR and the Department of Agriculture submitted testimony in support of the intent of this bill.

Your Committee notes that the appropriation in this bill has its origins in Act 234, Session Laws of Hawaii (SLH) 2001. This Act appropriated \$500,000 for each year of fiscal biennium 2001-2003 to be added to the base budget of the University of Hawaii for use in hiring faculty for agricultural programs. UH-CTAHR has since used these funds to hire nine faculty members. However, budgetary restrictions have prevented UH from rolling these funds into its 2003-2005 budget. This bill seeks to restore the original funding level provided under Act 234, SLH 2001.

Your Committee has amended this bill by deleting appropriations for:

- (1) Developing the agricultural incubator initiative;
- (2) Agricultural biotechnology research and outreach;
- (3) Value-added food processing and food safety; and
- (4) An integrated bioremediation program.

Your Committee has also 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 S.B. No. 534, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 534, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Morita, Kahikina, Schatz, Blundell and Ontai.

SCRep. 1087 Agriculture/Water, Land Use, and Hawaiian Affairs on S.B. No. 538

The purpose of this bill is to provide the Agribusiness Development Corporation (ADC) with greater flexibility in managing lands transferred to it by exempting lands:

- (1) Set aside by the Governor to ADC; or
- (2) Leased to ADC by any department or agency of the State;

from the provisions of chapter 171, Hawaii Revised Statutes (HRS), relating to public lands.

ADC and Hawaii Farm Bureau Federation supported this bill.

Your Committees note that, currently, lands to which the ADC in its corporate capacity holds title are exempt from the definition of "public lands" under chapter 171, HRS, and are exempt from its provisions. This bill would afford ADC the same exemptions for lands transferred to ADC and allow ADC the flexibility and authority necessary to make optimal use of its assets.

As affirmed by the records of votes of the members of your Committees on Agriculture and Water, Land Use, and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 538, S.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Karamatsu, Magaoay, Schatz, Wakai, Ontai, Evans, Waters and Thielen.

SCRep. 1088 Agriculture/Water, Land Use, and Hawaiian Affairs on S.B. No. 255

The purpose of this bill is to protect agricultural uses and activities on agricultural land by:

- (1) Establishing that agricultural uses and activities on lands classified as agricultural shall not be restricted by private agreements contained in any deed, lease, agreement of sale, or other conveyance of land that subject such agricultural lands to any servitude, including but not limited to covenants, easements, or equitable and reciprocal negative servitudes; and
- (2) Declaring that any private restriction limiting or prohibiting agricultural use or activity shall be void or voidable by the person who is occupying and using the land classified as agricultural, except for restrictions taken to protect environmental or cultural resources.

The Department of Agriculture, Hawaii Farm Bureau Federation, Hawaii's Thousand Friends, Sierra Club Hawaii Chapter, Hawaii Agriculture Research Center, Kauai County Farm Bureau, and three concerned individuals supported this bill. A concerned individual opposed this measure.

Your Committees note that currently, covenants and other types of private agreements are being used to restrict agricultural activity on lands classified as agricultural. These restrictions make real farming operations difficult, if not impossible. Your Committees believe that this bill addresses this serious problem and preserves the use of agricultural land for agricultural purposes. Furthermore, it is the intent of your Committees that any covenants or private restrictions that do not conform to the law at the time that the covenant or restriction was agreed upon or signed by the parties involved should be void and unenforceable.

As affirmed by the records of votes of the members of your Committees on Agriculture and Water, Land Use, and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 255, S.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Herkes, Karamatsu, Magaoay, Schatz, Marumoto, Ontai, Evans, Waters and Thielen.

SCRep. 1089 Labor and Public Employment on S.B. No. 773

The purpose of this bill is to provide greater flexibility for unemployed individuals to qualify for unemployment insurance (UI) benefits by:

- (1) Requiring the Department of Labor and Industrial Relations (DLIR) to notify unemployed individuals, who do not have sufficient qualifying weeks or wages in the base period, of the option of designating an alternative base period (ABP);
- (2) Defining ABP to mean:
 - (A) The last four completed calendar quarters immediately preceding the individual's benefit period; or
 - (B) The last three completed calendar quarters immediately preceding the benefit period and, of the calendar quarter in which the benefit period commences, the portion of the quarter that occurs before the commencing of the benefit period.

In addition, this bill:

- (1) Allows DLIR, under certain conditions, to base determinations of eligibility for UI benefits on the affidavit of an individual;
- (2) Requires the individual to furnish payroll documentation, if available, in support of the affidavit; and
- (3) Requires that the determination of UI benefits based on an ABP shall be adjusted based upon the quarterly report of wage information from the employer.

ILWU Local 142 and Hawaii State AFL-CIO supported this bill. DLIR offered comments.

Workers are often disqualified for UI benefits because they do not have sufficient qualifying weeks of wages under the traditional base period. Your Committee finds that establishing an ABP will allow workers to include more recent wages in order to meet UI eligibility requirements, and assist low-wage workers to qualify for UI benefits.

In light of the war with Iraq, and the likely impacts on our economy, your Committee finds it imperative to take immediate steps to stabilize the economic situation of workers who may be severely impacted by a reduction of work hours or layoffs.

Your Committee recognizes however, that certain changes must be made for DLIR to implement the ABP option.

With these concerns in mind, your Committee has amended this bill by:

- (1) Changing the definition of "ABP" to mean the four completed calendar quarters immediately preceding the first day of an individual's benefit year;
- (2) Deleting the provision requiring DLIR to notify individuals, who do not have sufficient qualifying weeks or wages in the base period, of the option of designating that the base period shall be the ABP;
- (3) Deleting the provisions relating to the use of affidavits and the use of quarterly reports of wage information received from the employer;
- (4) Clarifying that for benefit years beginning after January 1, 2004, and thereafter, if an individual fails to establish a valid claim for UI benefits, then DLIR shall make a redetermination of entitlement based upon the ADP;
- (5) Requiring individuals to satisfy the conditions of section 383-28(a)(5), Hawaii Revised Statutes (HRS), which contain certain minimum work week and wage requirements;
- (6) Prohibiting employment and wages used to establish a benefit year from being reused to establish another benefit year;
- (7) Requiring that the establishment of claims using the ABP shall be subject to the terms and conditions of section 383-33, HRS, relating to procedures used for determinations and in cases where the employer fails to furnish information necessary to determine claimant benefits; and
- (8) Requiring that the establishment of claims using the ABP shall be subject to the terms and conditions of section 383-94, HRS, relating to requirements for records and reports.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 773, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 773, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1090 Public Safety and Military Affairs/Health on S.B. No. 664

The purpose of this measure is to provide general obligation bonds and an appropriation for a veterans affairs long-term care facility at the Hilo Medical Center.

The bill would fund the State's portion of the two hundred-bed long-term care facility that is contingent on the federal government's appropriation of \$29,250,000, which is sixty-five per cent of the cost.

Your Committees received unanimous support for the bill from numerous testifiers including the state Department of Defense, the County of Hawaii, Kona Community Hospital, the Hawaii Health Systems Corporation, the Hilo Medical Center Foundation, and several private citizens.

Your Committees find that a veterans affairs long-term care facility would fulfill a growing need on the Big Island. The facility would also assist the community by boosting construction activity in Hilo, generating permanent and support staff positions, improving instruction at the University of Hawaii at Hilo by providing expanded clinical and professional experience, and improving medical relationships with, and mutual support of, the Hilo Medical Center.

Your Committees has left the general obligation bond amount blank to allow further discussions on this matter.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 664, S.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Blundell, Pendleton, Shimabukuro, Takai, Takumi and Finnegan.

SCRep. 1091 Public Safety and Military Affairs/Judiciary on S.B. No. 1138

The purpose of this measure is to appropriate funds for the Interagency Council on Intermediate Sanctions' five-year strategic plan to reduce adult offender recidivism through the use of intermediate sanctions.

Specifically, the bill appropriates funds for:

- (1) Personnel and operating expenses of the Council;
- (2) A full-time coordinator position;
- (3) Personnel and operating expenses to provide mental health assessment of offenders;
- (4) A full-time mental health assessor position;
- (5) Pre-sentencing and post-sentencing assessments;
- (6) Assessments for pre-trial detainees, furloughed inmates, and parolees;
- (7) Conducting research on recidivism reduction;
- (8) Assessing and planning for the Management Information Systems needs to support intermediate sanctions research;
- (9) Interfacing the Department of Public Safety's Corrections Information System with the Department of the Attorney General's Criminal Justice Information System; and
- (10) Cognitive behavioral skills training.

Your Committees received unanimous support for the bill from numerous testifiers including, the Judiciary, the Department of Public Safety, the Department of Health, the Hawaii Paroling Authority, the Office of the Public Defender, and the Department of the Attorney General.

Your Committees find that the appropriations will reduce adult offender recidivism by institutionalizing the collaborated enhancements to Hawaii's criminal justice system. The funding will allow local agencies to continue their screening and assessment of offenders, train staff on best practices, form a continuum of services, and meet quality assurance requirements in assessment and treatment services.

Your Committees has left the appropriation amounts blank to allow further discussions on this matter.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1138, S.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, M. Oshiro, Finnegan and Pendleton.

SCRep. 1092 Public Safety and Military Affairs/Tourism and Culture on S.B. No. 1619

The purpose of this bill is to establish a Motor Sports Recreation and Public Safety Training and Educational Facility Investment Tax Credit of an unspecified amount for qualified investments made by a taxpayer in the Motor Sports Recreation and Public Safety Training and Educational Facility (racetrack) on parcel 9 at Kalaeloa, Oahu.

Hawaii Motorsports Center, Jerrette K. Productions, and a concerned individual testified in support of this bill. The Hawaii Farm Bureau Federation (Farm Bureau) and Kunia Water Cooperative opposed this measure. The Department of Taxation and Tax Foundation of Hawaii offered comments.

Your Committees are concerned about the potential loss of prime agricultural lands as well as an important farming operation in Kunia that could be affected by the construction of this racetrack. According to the Farm Bureau, the Department of Hawaiian Home Lands (DHHL) owns a portion of the 139 acres needed for the racetrack in Kalaeloa. Because DHHL is interested in developing residential lots, Campbell Estates plans to sell to the racetrack developer a 150-acre parcel of agriculturally zoned land west of Kunia Road in the vicinity of the Royal Kunia development. DHHL would then swap its Kalaeloa parcel to the racetrack developer for the Kunia parcel.

Currently, a seed farm holds the lease to a portion of the Kunia parcel from Campbell Estate. If the land swap is completed, there is concern that the seed farm may no longer be viable. Moreover, DHHL will eventually take steps to construct homes on this parcel. This could lead to the conversion of the region to urban development. The City and County of Honolulu's development plan currently designates the lands west of Kunia Road for agricultural use.

As this bill moves through the Legislature, your Committees urge DHHL to meet with the Farm Bureau, the seed farm owner, and other interested parties to find an acceptable resolution to these concerns.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Tourism and Culture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1619, S.D. 2, H.D. 1, and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Pendleton and Ontai.
(Representative Blundell voted no.)

SCRep. 1093 Judiciary on S.B. No. 635

The purpose of this bill is to establish a problem solving courts special fund and provide additional funding for the Judiciary computer system special fund. Both special funds will be funded, in part, through moneys collected from uncontested traffic fines, forfeitures, assessments, and penalties for traffic infractions.

The Hawaii State Bar Association and American Civil Liberties Union of Hawaii testified in support of the bill. The Judiciary testified in support of the measure and offered amendments. The Police Department of the City and County of Honolulu and Department of Budget and Finance of the State of Hawaii opposed the measure.

Your Committee finds that the use of traffic fines, forfeitures, assessments, and penalties for traffic infractions is appropriate to fund the implementation of the Judiciary's Information Management System (JIMS) project and the proposed problem solving courts. The JIMS project will significantly improve the administration of traffic citations and collection of fines and facilitate coordination among law enforcement agencies. The problem solving courts will provide treatment and rehabilitation for addiction and mental illness by addressing root causes of criminal behavior and enhancing respect for rules of law. These programs will contribute to safety on public roads by reducing traffic accidents and incidence of arrests for driving under the influence of alcohol or drugs as well as promote public awareness of road safety.

Your Committee has amended this bill by:

- (1) Clarifying that the moneys collected from uncontested traffic fines, forfeitures, assessments and penalties are directed to the problem solving courts special fund, except for the amount allocated to the Judiciary computer system special fund for the next two fiscal years;
- (2) Amending the purpose section of the bill to include the Legislature's findings regarding the nexus between the beneficiaries of the special funds and the source of the funds;
- (3) Amending section 601-3.7 to authorize the transfer of uncontested traffic fines to the judiciary computer system special fund;
- (4) Adding language appropriating money from the problem solving courts special fund and the judiciary computer system special fund;
- (5) Adding a severance clause; and
- (6) Making technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 635, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 635, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes and Pendleton.

SCRep. 1094 Judiciary on S.B. No. 38

The purpose of the bill is to:

- (1) Authorize the Hawaii Tourism Authority (HTA) to employ or retain attorneys independent of the Attorney General;
- (2) Appropriate money for an integrated market plan by HTA; and
- (3) Establish a Hawaii tourism registry for groups of state residents who plan to travel out-of-state.

Your Committee received testimony in support of the measure from the HTA. The Department of the Attorney General opposed the measure.

Your Committee finds that an integrated market plan needs to be developed by HTA.

Your Committee has amended this bill by:

- (1) Deleting reference to independent attorneys for the HTA;
- (2) Deleting reference to the establishment of a tourism registry for residents traveling out-of-state; and
- (3) Making technical and nonsubstantive changes for style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 38, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 38, H.D. 2.

Signed by all members of the Committee except Representatives Caldwell, Ito, Souki and Finnegan.

SCRep. 1095 Judiciary on S.B. No. 843

The purpose of this bill is to:

- (1) Extend the application of Habitat Conservation Plans (HCP) and Safe Harbor Agreements (SHA) to public lands;
- (2) Require legislative approval before the Board of Land and Natural Resources can enter into an HCP or SHA rejected by the Endangered Species Recovery Committee;
- (3) Make explicit the authority of the Department of Land and Natural Resources to revoke an HCP or SHA permit to forestall an appreciable reduction in an endangered or threatened species' likely survival or recovery; and
- (4) Authorize citizen suits against state and county agencies for violations of HCPs and SHAs. This measure as received authorized citizen suits for violations of any provision of Chapter 195D, Hawaii Revised Statutes, or of its implementing rules.

Your Committee received testimony in support of this measure from Earthjustice and the Sierra Club Hawaii Chapter. The Board of Land and Natural Resources submitted testimony in partial support of this measure, with suggested amendments. The Department of Transportation agreed with the testimony of the Department of Land and Natural Resources. The Hawaii Agriculture Research Center, the Hawaii Forest Industry Association, the Estate of James Campbell, Hawaii Reserves Inc., and the Land Use Research Foundation testified in opposition to this bill. Kamehameha Schools and the Nature Conservancy of Hawaii commented on this measure, and Environmental Defense submitted testimony concurring with that of the Nature Conservancy.

Your Committee finds this measure will further Hawaii's commitment to protect endangered and threatened species.

Your Committee has amended this bill by recasting its citizen suit provision in language proposed by the Department of Land and Natural Resources limiting the citizen suit provision to public agencies for violations of obligations or conditions for SHAs or HCPs on public lands.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 843, S.D. 1, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 843, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Herkes and Pendleton.

SCRep. 1096 Judiciary on S.B. No. 857

The purpose of this bill is to establish the Hawaii Invasive Species Council (Council) to coordinate efforts to control and eradicate invasive species.

The Coordinating Group on Alien Pest Species and Invasive Species Committees on Kauai, Oahu, Maui, Molokai, and the Big Island, Pineapple Growers Association of Hawaii, Nature Conservancy of Hawaii, and a member of the Maui County Council testified in support of this bill.

The Attorney General and the Sierra Club, Hawaii Chapter, testified in support of this measure and offered amendments.

The Department of Agriculture, the Department of Land and Natural Resources (DLNR), and Na Leo Pohai testified in support of the intent of this bill.

Your Committee believes that a critical need exists to focus attention and direct resources toward protecting our natural environment and the health and safety of Hawaii's people from the uncontrolled spread of invasive species.

Your Committee has amended this measure by:

- (1) Placing the Council within DLNR rather than the Office of the Governor;
- (2) Adopting language recommended by the Attorney General's Office concerning entry upon private land where invasive species is found, if entry is refused, after proper notice; and
- (3) Deleting language that would have required the Council to "designate appropriate state agencies to manage efforts related to each invasive species identified," to avoid a conflict with language in another provision.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 857, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 857, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Herkes and Pendleton.

SCRep. 1097 Judiciary on S.B. No. 1477

The purpose of this bill as received is to enable county governments to enter into lease and leaseback arrangements for wastewater, waterworks, and sewer and disposal systems as a mechanism to raise funds from these assets and to invest the proceeds from the lease to meet leaseback payment obligations. The bill also would exempt county government and the private investor who purchased the lease from all state and local taxes relating to the transaction.

The City and County of Honolulu, ALLCO Finance, and the County of Maui testified in support of the bill. The County of Hawaii testified in support of the bill if an amendment is made. The Hawaii State Department of Health offered comments.

Your Committee finds that the bill proposes an exciting opportunity for county governments to raise cash through the long term lease of one type of asset. However, the Committee finds that there are many questions about the process involved, the implications on the loss of state and federal tax revenue by exempting this transaction from taxes, and whether a county could lose control over the wastewater facility. The Committee believes that further discussion is necessary on this bill and urges the Finance Committee to review the tax exemption issues and the proposed mechanism to bring needed revenues to county governments. Accordingly, your Committee has amended the bill to encourage further discussion by eliminating the proposed section 4 "Exemption from Taxation".

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1477, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 1477, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Caldwell, Ito, Souki and Finnegan.

SCRep. 1098 Judiciary on S.B. No. 1675

The purpose of this bill is to transfer the Executive Office on Aging from the Office of the Governor to the Department of Health.

Your Committee received testimony in support of this measure from the Department of Health. The Hawaii Government Employees Association testified in support of this measure and suggested changes pertaining to the Office of Health Care Assurance.

Your Committee finds it appropriate to place the Office on Aging within the Department Health for administrative purposes on a permanent basis.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1675, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 1675, H.D. 2.

Signed by all members of the Committee except Representatives Caldwell, Ito, Souki and Finnegan.

SCRep. 1099 Water, Land Use, and Hawaiian Affairs on S.B. No. 516

The purpose of this bill is to provide the Department of Land and Natural Resources (DLNR) with a methodology for calculating lease rents for private, residential noncommercial piers in Kaneohe Bay.

Protect Our Shoreline Ohana and a number of concerned individuals testified in support of this bill. DLNR testified in opposition to this measure.

Current lease rent methodology used by DLNR to determine rents for private, noncommercial piers in Kaneohe Bay places the value of submerged lands at 50 percent of the value of the abutting fast land. This methodology is the same one used in determining the value of submerged lands for commercial piers. Your Committee finds that this method of calculating lease rent results in excessive rents given the fact that these piers are private structures that do not derive any commercial income.

However, your Committee recognizes the concerns raised by DLNR that a methodology using calculations that value submerged lands at ten percent of the value of the fast lands may not reflect a fair market value.

Your Committee has amended this bill by:

- (1) Deleting the percentage multiplier for calculating lease rent valuations for the purpose of facilitating further discussion; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land Use, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 516, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 516, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1100 Water, Land Use, and Hawaiian Affairs on S.B. No. 1152

The purpose of this bill is to ensure native Hawaiian representation on the Land Use Commission (LUC) and the public advisory body for the Coastal Zone Management (CZM) Program by specifying that one member of each body shall be a Trustee of or a representative designated by the Office of Hawaiian Affairs (OHA).

An OHA Trustee testified in support of this bill. OHA and LUC supported the intent of this measure. The Office of Planning offered comments, and the Hawaiian Political Action Council of Hawaii opposed this measure.

Your Committee finds that:

- (1) Section 78-4, Hawaii Revised Statutes, prohibits any person from serving on more than one state board or commission created by law;
- (2) Too many conflicts would arise if an OHA Trustee were to serve as a member of these bodies. By being forced to constantly recuse him or herself, the OHA Trustee's representation on the body would be ineffective; and
- (3) As an alternative, OHA could still ensure native Hawaiian representation on these bodies by nominating individuals instead of designating an OHA Trustee or representative.

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

- (1) Deleting the provisions that a designated OHA Trustee or representative serve as a member of LUC and CZM public advisory body, and requiring that the member shall instead be appointed from a list of three nominees submitted by OHA;
- (2) Requiring that one member of the Board of Land and Natural Resources shall also be appointed from a list of three nominees submitted by OHA; and
- (3) Making technical, nonsubstantive amendments for the purpose of clarity and to correct drafting errors.

As affirmed by the record of votes of the members of your Committee on Water, Land Use, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1152, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1152, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kaho`ohalahala.

SCRep. 1101 Water, Land Use, and Hawaiian Affairs on S.B. No. 1154

The purpose of this bill, as received by your Committee, is to clarify that the Office of Hawaiian Affairs (OHA) is required to reimburse the State for state contributions to the Hawaii Employer-Union Health Benefits Trust Fund made for employees whose compensation is paid at least in part from funds other than the general fund.

Your Committee finds that the work of the Hui `Imi Task Force for Hawaiian Services (Task Force) in the delivery of social services to native Hawaiians is of great importance. The purpose of the Task Force was to make findings and recommendations concerning the coordination of public and private services available to Hawaiians in the areas of education, economic development, housing, employment, medicine, law, cultural issues, and social issues. Although the legislative authorization of the Task Force ended upon the filing of its findings and recommendation report in 1991, the Task Force continued its work on an informal basis. In 1997, the Legislature passed Act 376, which formally reauthorized, temporarily, the Task Force as the Hui `Imi Advisory Council (Council).

Your Committee finds that the work of the Council remains a valuable resource to the State and native Hawaiian community by serving as a forum in which ideas and concerns relating to human services issues important to Hawaiians may be expressed and shared among the public and private agencies involved in the delivery of those services to the native Hawaiian community.

For purposes of the public hearing, your Committee circulated and subsequently adopted a proposed H.D. 1 version that deletes the contents of this bill and inserts new provisions relating to the permanent establishment of the Council.

Specifically, the proposed H.D. 1:

- (1) Establishes the Council within OHA for administrative purposes;
- (2) Requires the Council to have at least 20 representatives from OHA, University of Hawaii, various state departments, and agencies, organizations, or entities having or expressing an interest in participating in fulfilling the Council's mandates; and
- (3) Mandates the Council to:
 - (A) Serve as a liaison between public and private entities serving the Hawaiian community in the planning and development of collaborative public and private endeavors;
 - (B) Investigate the issues described in the Task Force's report and other issues affecting Hawaiians; and
 - (C) Submit a report of its findings and recommendations, including an action plan to implement the Task Force's report and incorporating it into the state general plan, to the Governor and the Legislature at least 20 days before the convening of the Regular Session of 2005.

OHA, Alu Like, Inc., E Ola Mau, Kamehameha Schools, and one concerned individual testified in support of this measure.

Upon further consideration, your Committee made technical, nonsubstantive amendments to correct drafting errors.

As affirmed by the record of votes of the members of your Committee on Water, Land Use, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1154, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1154, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Evans.

SCRep. 1102 Water, Land Use, and Hawaiian Affairs/Agriculture on S.B. No. 1256

The purpose of this bill is to provide the chairperson of the Board of Agriculture (Board) with additional time to submit the State Agricultural Water Use and Development Plan (Plan).

The Board, Maui County Farm Bureau, Pineapple Growers Association of Hawaii, Hawaii Agriculture Research Center (HARC), and the Hawaii Farm Bureau testified in support of this measure.

Your Committees find that Act 101, Session Laws of Hawaii (SLH) 1998, required the Department of Agriculture (DOA) to develop the Plan. However, no funds were appropriated to the DOA to perform this function. Your Committees note however, that the Legislature did appropriate \$300,000 for fiscal year 2002-2003 to match a federal grant of \$270,000 from the U.S. Department of the Interior, Bureau of Reclamation for the development of the Plan, and these funds are now being expended to begin the process. Additional funds are being requested this year to allow for the completion of the Plan in concert with the recommended extended deadline to 2004.

As affirmed by the records of votes of the members of your Committees on Water, Land Use, and Hawaiian Affairs and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1256 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Evans, Waters, Thielen, Herkes, Karamatsu, Magaoay, Schatz, Marumoto and Ontai.

SCRep. 1103 Water, Land Use, and Hawaiian Affairs/Agriculture on S.B. No. 1257

The purpose of this measure is to repeal the Irrigation Water Development Special Fund (Fund).

The Board of Agriculture, Maui Farm Bureau, Hawaii Farm Bureau, and Pineapple Growers Association of Hawaii testified in support of this measure.

Recent closures of several major sugar operations in Hawaii have resulted in numerous irrigation systems falling into disrepair and many being abandoned. Your Committees find that the Department of Agriculture was authorized by section 167-22.5, Hawaii Revised Statutes, to issue revenue bonds for the purpose of acquiring and improving these irrigation systems, with the bond proceeds being deposited into the Fund.

However, the Fund was never utilized since the creation of the Agribusiness Development Corporation, which is now responsible for acquiring and improving former irrigation systems. Thus, the Fund remains inactive and is no longer necessary.

As affirmed by the records of votes of the members of your Committees on Water, Land Use, and Hawaiian Affairs and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1257 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Evans, Waters, Thielen, Herkes, Karamatsu, Schatz, Marumoto and Ontai.

SCRep. 1104 Water, Land Use, and Hawaiian Affairs on S.B. No. 1554

The purpose of this bill is to protect native Hawaiian historic sites by clarifying private landowners' responsibilities for native Hawaiian historic sites on their property.

The Office of Hawaiian Affairs testified in support of this bill. The Kualoa-He'eia Hawaiian Civic Club supported the intent of this measure. The Land Use Research Foundation of Hawaii, Hawaii Leeward Planning Conference, and Hawaii Reserves, Inc., opposed this measure. The Department of Land and Natural Resources offered comments.

According to section 6E-42, Hawaii Revised Statutes, when a private landowner seeks a land development permit, such as a grading permit that may affect historic property or burial sites, the Division of Historic Preservation of DLNR must be given an opportunity to review and comment upon the permit application, thereby providing an opportunity to protect the historic property. However, the law does not apply penalties if someone does not seek prior approval and damages an historic property or burial site.

Upon careful consideration, your Committee has amended this bill by deleting its contents and inserting the substance of H.B. No. 1285, H.D. 1, which extends the same protections and penalties for the damage of an historic property or burial site discovered on private lands, when the necessary approvals have not been sought as required by historic preservation laws.

As amended, this bill:

- (1) Provides penalties for anyone who damages historic property or a burial site during development activities without obtaining the required approval;
- (2) Provides penalties for anyone who inadvertently discovers a burial site and fails to stop work and report the discovery; and
- (3) Requires that, if human skeletal remains are discovered during development activities for which the required approval was not obtained, all work shall cease to allow for the proper removal of the remains.

As affirmed by the record of votes of the members of your Committee on Water, Land Use, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1554, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1554, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Bukoski.

SCRep. 1105 Judiciary on S.B. No. 1593

The purpose of this bill is to:

- (1) Require environmental impact statements to disclose and propose mitigation of the environmental justice impacts of a proposed action; and
- (2) Create an Environmental Justice Working Group (Working Group) to:
 - (A) Develop guidelines for public review and comment; and
 - (B) Make recommendations on whether these guidelines should be adopted by agency policy, rule, ordinance, or statute.

Your Committee received testimony in support of this measure from a concerned individual. The American Friends Service Committee submitted testimony in general support of this bill with reservations about the effectiveness of the working group. The Attorney General commented on issues in this bill that need clarification. The Department of Health opposed this bill because of legal considerations raised by the Attorney General. The Office Environmental Quality Control requested that the bill be held pending further study. Life of the Land commented on this measure.

Your Committee considers it important for government entities and the public to be aware of environmental justice impacts as decisions affecting the siting of facilities that generate pollution are made.

Your Committee has amended this measure by:

- (1) Replacing the definition of "environmental justice impact" with a definition of "environmental justice" similar to that used by the Environmental Protection Agency;
- (2) Removing from the Working Group duties, the making of recommendations as to whether guidelines should be implemented by policy, rule, ordinance, or statute; and
- (3) Making technical, nonsubstantive amendments for purposes of consistency and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1593, S.D. 1, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 1593, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Herkes and Pendleton.

SCRep. 1106 Judiciary on S.B. No. 658

The purpose of this bill is to authorize hospitals to provide emergency contraception to sexual assault survivors.

Your Committee received testimony in support of the measure from Hawaii County Council member Fred Holschuh, the American Civil Liberties Union, Healthy Mothers, Healthy Babies, and the First Unitarian Church. The Commission on the Status of Women, the Sex Abuse Treatment Center, the University of Hawaii Women's Center, Planned Parenthood of Hawaii, and the Community Alliance on Prisons supported the measure and suggested amendments. The Department of Health and the Roman Catholic Church in the State of Hawaii supported the intent of the measure and suggested amendments. St. Francis Healthcare System of Hawaii provided comments. Hawaii Right to Life, the American Center for Law & Justice of Hawaii, and concerned individuals opposed the measure.

Your Committee finds that this bill will provide information about and services for emergency contraception at the critical moment when a sexual assault survivor seeks medical attention soon after the assault has occurred. Your Committee finds that this information and service should be universally provided and not be hidden behind barriers of exceptions.

Your Committee has amended the bill by deleting the contents and replacing it with the substance of H.B. No. 189, H.D. 2.

The essence of the amendment is to:

- (1) Delete the religious hospital exemption;
- (2) Delete references to inquiries into the identity of the assailant; and
- (3) Make technical, nonsubstantive amendments for style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 658, S.D. 1, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 658, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Herkes and Pendleton.
(Representative Finnegan voted no.)

SCRep. 1107 Judiciary on S.B. No. 1319

The purpose of this bill is to replace Hawaii's Limited Partnership Act with a modified version of the 2001 Revised Uniform Limited Partnership Act.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, the Commission to Promote Uniform Legislation, and two concerned individuals.

Your Committee finds this measure will effect consistency among various statutory provisions, and may promote economic development by recognizing limited liability limited partnerships as a form of business entity.

Your Committee has amended this measure by changing its effective date to July 1, 2050, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1319, S.D. 1, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 1319, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Chang, Herkes and Pendleton.

SCRep. 1108 Transportation on S.B. No. 481

The purpose of this bill is to allow for the payment and receipt of commissions that may be related to, but do not directly correspond to, the sale of collision damage waivers (CDWs) for rental vehicles.

The Hertz Corporation and Cendant Car Rental Group, Inc., testified in support of this measure. Catrala-Hawaii, Avis Rent A Car Systems, Inc., Dollar Rent A Car Systems, Inc., Enterprise Rent-A-Car, and Wholesale Motors, Inc., dba JN Truck & Car Rental supported the intent of this bill. The Department of Commerce and Consumer Affairs commented on this bill.

A CDW is a contractual agreement in which a rental car company, in exchange for a certain fee, waives its right to recover the cost of damages done to a motor vehicle by the individual that rented the vehicle. Due to inappropriate practices by certain rental car companies with regards to the sale of CDWs and payments of direct commissions to employees for these sales, the Legislature enacted a law barring the payment of any commissions based on the sales of CDWs. Your Committee notes that this has led to inequity between rental car company employees working in Hawaii and the mainland since companies often factor the sale of CDWs into overall gross receipts when evaluating an employee for a bonus, and comparing the performance of branches of the company located in different states. This bill attempts to correct this inequity while still continuing to ban direct commissions for CDW sales.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 481, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Pendleton.

SCRep. 1109 Transportation on S.B. No. 85

The purpose of this bill is to increase the safety of public roadways by strengthening Hawaii's street racing law. Specifically, this bill authorizes the courts to order that a vehicle owned by the defendant, or by the defendant's parents or legal guardians if the defendant is a minor, be forfeited if the defendant was convicted of street racing within five years of the current offense.

The Department of Transportation testified in support of the intent of this measure. The Honolulu Police Department (HPD) and Office of the Public Defender testified in opposition to this measure.

Street racing is a serious threat to the health, safety, and welfare of other users of public roadways. Your Committee finds that current street racing laws have not deterred street racing, and that an increased penalty of forfeiture of a vehicle may act as a stronger deterrent to this type of activity.

Although your Committee understands the concerns raised by HPD regarding the costs and liability associated with the storage and automotive care of the forfeited vehicle, the risks associated with street racing and the dangers this activity pose to the public far outweigh these concerns. Further, your Committee notes that driving under the influence of an intoxicant is also a serious offense that warrants the same penalties afforded to street racing offenses. However, your Committee is cognizant of the difficulties HPD has experienced in enforcing this law due to the difficulty of proving that a street racer was exceeded the speed limit by 30 miles per hour.

Accordingly, this measure has been amended by:

- (1) Deleting the requirement that a vehicle be traveling at a speed in excess of the posted speed limit by 30 miles per hour or more in order to be found in violation of the street racing law; and
- (2) Inserting language clarifying that a person committing the offense of driving under the influence of an intoxicant, that occurs within five years of a prior conviction, shall perform not less than 30 days of community service work;
- (3) Inserting language clarifying that a person committing the offense of driving under the influence of an intoxicant, that occurs within five years of two prior convictions, shall perform not less than 60 days of community service work;
- (4) Inserting language clarifying that a person committing the offense of driving under the influence of an intoxicant, that occurs within five years of a prior conviction, shall be subject to forfeiture of any motor vehicle operated at the time of the offense, provided that the person convicted is the registered owner of the vehicle; and
- (5) Inserting language clarifying that a person committing the offense of driving under the influence of an intoxicant or first degree negligent homicide that occurs within ten years of three or more prior convictions, shall be subject to forfeiture of any motor vehicle operated at the time of the offense, provided that the person convicted is the registered owner of the vehicle.

Other technical, nonsubstantive amendments were made for purposes of clarity, consistency, 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 S.B. No. 85, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 85, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives M. Oshiro and Pendleton.

SCRep. 1110 Transportation on S.B. No. 1401

The purpose of this bill is to:

- (1) Provide the Department of Transportation (DOT) with the authority to collect passenger facility charges (PFCs) and use this revenue to finance costs related to capital improvement projects at state airports; and
- (2) Establish the Passenger Facility Charge Special Fund.

The Department of Transportation and Airlines Committee of Hawaii testified in support of this bill.

Since 1991, the federal government has authorized the collection of PFCs to support airport improvements that were previously supported through the federally operated Airport Improvement Program, which provided grant monies to airports for capital improvement projects. Currently, over 330 of the 429 commercial service airports in the United States are approved for the collection of PFCs. Of the top 100 airports in the country, only 15 do not collect PFCs, and 5 of those 15 are in Hawaii. Hawaii is one of only two states that does not collect PFCs.

Your Committee understands that, given that PFCs vary between \$3.00 and \$4.50 per passenger, the DOT could be receiving an estimated net revenue of between \$10 million and \$15 million annually and that these funds could play an important role in the completion of capital improvement projects at our state airports.

Your Committee also notes that the safety of children in motor vehicles through the use of booster seats and the safety of the motoring public through the prohibition of the use of cellular phones while driving are also of utmost importance. Accordingly, your Committee has amended this measure by inserting language that:

- (1) Requires drivers to place passengers under four years of age in a child passenger restraint system;
- (2) Requires drivers to place passengers who are four and less than eight years of age and under 80 pounds in a child safety seat or booster seat;

- (3) Provides certain exceptions to these requirements;
- (4) Prohibits the use of hand-held cellular phones while driving a motor vehicle except in an emergency; and
- (5) Requires drivers to use hands-free capable cellular phones or a voice-activated speaker phone system if they are operating a motor vehicle.

Other technical, nonsubstantive amendments were made for purposes of clarity, consistency, 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 S.B. No. 1401, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1401, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Pendleton.

SCRep. 1111 Higher Education/Health on S.B. No. 402

The purpose of this bill is to establish the Graduate Medical Education Program to be administered by a Medical Education Council (Council) in cooperation with the Department of Health (DOH) to coordinate and govern graduate medical education in the State.

The University of Hawaii, Queen's Medical Center, Hawaii Pacific Health, and Wahiawa General Hospital submitted testimony in support of this bill. The Board of Medical Examiners supported the intent of the bill and proposed amendments. The Department of the Attorney General and Compassion in Dying of Hawaii submitted comments.

Your Committees find that this bill will help to coordinate and improve graduate medical education in Hawaii. The Council will bring together Hawaii's most critical medical education stakeholders to use their expertise in managing the education of Hawaii's invaluable medical professionals.

Your Committees have amended this bill by:

- (1) Adding the Director of the Cancer Research Center of Hawaii and an additional individual representing the health professions community to the membership of the Council;
- (2) Placing the new statutory material in chapter 304, Hawaii Revised Statutes (HRS) rather than in chapter 453, HRS; 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 Higher Education and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 402, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 402, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morita, Kahikina, Ontai and Stonebraker.

SCRep. 1112 Higher Education on S.B. No. 576

The purpose of this bill is to prohibit the University of Hawaii (UH) from making expenditures from the UH Tuition and Fees Special Fund (UH Special Fund) to generate private donations to the University of Hawaii Foundation (UH Foundation).

UH, the UH Foundation, and an individual submitted testimony in opposition to this bill.

Your Committee finds that there are concerns regarding the use of public funds by UH to generate public donations through the UH Foundation, a nonprofit organization that coordinates many fundraising functions and manages an endowment for UH. However, your Committee also notes that the efforts of the UH Foundation are critical to UH's ability to generate funds and operate effectively.

Accordingly, your Committee has amended this bill by:

- (1) Restoring UH's ability to transfer moneys from the UH Special Fund to the University of Hawaii Foundation;
- (2) Allowing moneys from the UH Special Fund to be used to support alumni activities;
- (3) Requiring the submittal of a comprehensive report on moneys expended from the UH Special Fund before the convening of the 2004 Regular Session; and
- (4) 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 S.B. No. 576, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 576, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Morita, Kahikina, Schatz and Ontai.

SCRep. 1113 Higher Education on S.B. No. 919

The purpose of this bill is to appropriate funds to the University of Hawaii for research on applying bioremediation technologies to remove contaminants in sediments from the Ala Wai Canal and other waterways statewide.

The Hawaii Water Environment Association, Pacific International Center for High Technology Research, and a concerned individual submitted testimony in support of this bill. The UH-Manoa College of Tropical Agriculture and Human Resources submitted testimony in support of the intent of this bill.

Your Committee finds that bioremediation research is critical in helping to reduce contamination of Hawaii's waterways. This bill will help to develop a small-scale biological treatment process to remove contaminants from sediments dredged from Hawaii's waterways that, if successful, can later be developed into a large-scale project.

Your Committee has amended this bill by appropriating \$5,000,000 from the Department of Health Hazardous Waste Revolving Fund for:

- (1) A biotreatability evaluation on sediments from various waterways targeted for dredging over the next three calendar years statewide;
- (2) Research on contaminated sediments from waterways statewide;
- (3) Small-scale testing, including a twelve-month screening program for plant species to remediate polycyclic aromatic hydrocarbons, halogenated hydrocarbons and heavy metals, and small scale field-testing;
- (4) Collaboration with federal agencies and other states for the planning and pilot demonstration of constructed wetlands at appropriate waterways statewide;
- (5) Collaboration with the United States Fish and Wildlife Service and other agencies to research host-specificity of the Brazilian weevil and other potential bio-control agents for salvinia molesta; and
- (6) The identification and solicitation of federal and other funding for research, development, and long-term maintenance of constructed wetlands and developed habitats.

Your Committee has also 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 S.B. No. 919, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 919, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Morita, Kahikina, Schatz and Ontai.

SCRep. 1114 Education on S.B. No. 11

The purpose of this bill is to exempt temporary public school facilities from state or county laws that exceed the requirements of the federal Americans With Disabilities Act (ADA).

The Department of Education (DOE) submitted testimony in support of the intent of this bill. The Hawaii State Teachers Association submitted comments on this bill.

Your Committee finds that requiring structures and trailers erected or installed as temporary school buildings to be hurricane-resistant or otherwise exceed ADA requirements significantly reduces the cost savings achieved through their use. However, many of these structures often end up serving as de facto permanent structures due to extended fiscal constraints. As they consider the comprehensive needs of public schools, DOE and the Department of Accounting and General Services should consider the effect that working and attending school in such temporary structures has on staff morale, student achievement, and public safety.

Your Committee defers to the Committee on Judiciary regarding the specific legal issues related to compliance with ADA, Hawaii Disability and Communication Access Board guidelines and rules, and state and county building requirements.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 11, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Arakaki, Kahikina and Tamayo.

SCRep. 1115 Education on S.B. No. 945

The purpose of this bill is to designate a portion of tobacco settlement moneys and appropriate funds for nonschool-hour programs for students.

The Office of Youth Services of the Department of Human Services, Honolulu Police Department, and Hawaii Youth Services Network submitted testimony in support of this bill. The Department of Education submitted testimony in support of the intent of this bill. The Department of Budget and Finance submitted testimony in opposition to this bill. The American Heart Association submitted comments.

Your Committee finds that structured programs and activities during nonschool-hours are critical for children. These types of activities help to reduce risk factors for students and ensure that they have productive ways to use their time when not in school.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 945, S.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Evans, Arakaki and Morita.

SCRep. 1116 Education on S.B. No. 929

The purpose of this bill is to create the After-school Programs Special Fund (Special Fund) to fund Department of Education (DOE) after-school programs.

Your Committee received testimony in support of this bill from the DOE.

Your Committee finds that after-school care for elementary age public school students is an important means of providing a safe and productive environment for children whose parents are working during after-school hours.

Your Committee further finds that the Special Fund will enable DOE to continue operating the programs by increasing fees should the State be unable to continue funding it at an adequate level through general funds.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 929, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kahikina, Morita, Schatz, Leong and Ontai.

SCRep. 1117 Education on S.B. No. 17

The purpose of this bill is to:

- (1) Require children entering kindergarten at public schools to be five years old before October 16th beginning with the 2005-2006 school year, and before August 1st beginning with the 2006-2007 school year; and
- (2) Use any cost-savings achieved to expand or supplement early education programs.

The Department of Human Services, Hawaii State PTSA, League of Women Voters, and two individuals submitted testimony in support of this bill. The Department of Education and Seagull Schools, Inc., submitted testimony in support of the intent of this bill. The Hawaii Association for the Education of Young Children and Good Beginnings Alliance submitted testimony in opposition to this bill. The Department of Budget and Finance, Hawaii State Teachers Association, and two individuals submitted comments on this bill.

Your Committee finds that raising the age for entrance into kindergarten is appropriate due to the cognitive development of young children and will enable them to benefit more from early childhood education.

Your Committee has amended this bill by deleting its contents and inserting the provisions of H.B. No. 335, H.D. 1. As amended, this bill requires a child entering kindergarten to be five years of age on or before September 1st of the year in which the child enters kindergarten beginning with the 2007-2008 school year.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 17, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 17, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Kahikina and Tamayo.

SCRep. 1118 Education on S.B. No. 337

The purpose of this bill is to:

- (1) Appropriate funds to the Department of Education (DOE) to establish fifteen complex area administrative services manager positions;
- (2) Specify the duties of the complex area administrative services managers;
- (3) Appropriate funds to DOE to convert 42 full-time business assistant positions from temporary to permanent status; and
- (4) Appropriate funds for a consultant to study the public school repair and maintenance backlog.

DOE submitted testimony in support of this bill. The Department of Accounting and General Services submitted comments on this bill. The Hawaii Government Employees Association supported the intent of this bill.

Your Committee finds that principals are frequently expected to assume the role of a business manager at their schools. Your Committee also notes that converting the forty-two full-time temporary business assistant positions to permanent status will not require an additional appropriation, as these positions are accounted for in DOE's current services budget.

Your Committee has amended this bill by deleting:

- (1) The establishment of the complex area administrative services manager positions and the appropriation for the positions;
- (3)[sic] The appropriation to convert the business assistant positions to permanent status; and
- (4) The appropriation for a consultant to study the school repair and maintenance backlog.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 337, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 337, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Evans, Arakaki, Kahikina and Morita.
(Representatives Jernigan and Meyer voted no.)

SCRep. 1119 Judiciary on S.B. No. 975

The purpose of this bill as received is to establish limited immunity for public entities and public employees from tort claims arising out of hazardous recreational activities.

The Board of Land and Natural Resources, Department of the Attorney General, Office of the Mayor of the County of Maui, the County Council of the County of Maui and four of its members, two members of the County Council of the County of Hawaii, SK8 Pahoehoe Youth Group, and a concerned individual testified in support of this bill. The County of Hawaii testified in support and offered an amendment. The Consumer Lawyers of Hawaii opposed the bill.

Your Committee finds that there is substantial public demand for skateboard parks. However, public entities are concerned that the inherently dangerous activity of skateboarding may lead to injuries for which the public entities may be held liable. The problem is compounded by the fact that there are no design standards for the construction of skateboard parks that would mitigate against the risk of injury by skateboarding activities. Accordingly, your Committee has attempted to respond to the public demand for skateboard parks and the public entities' concerns over liability with a bill that balances the competing interests of the parties.

Your Committee has amended the bill by:

- (1) Deleting the substance of the bill relating to hazardous recreational activities;
- (2) Establishing immunity for public entities for injuries or damages that are sustained when using a public skateboard park except when such injuries or damages are caused by the public entities' failure to maintain and repair the skateboard park; and
- (3) Requiring the public entities to keep records of known or reported injuries and claims paid for injuries for five years and submit a report to the Legislature, including any recommendations for the need for further immunity from liability.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 975, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.B. No. 975, H.D. 1.

Signed by all members of the Committee except Representatives Caldwell, Ito, Souki and Finnegan.

SCRep. 1120 Judiciary on S.B. No. 1393

The purpose of this bill as received is to split the current Department of Public Safety into two new departments, the Department of Corrections and Department of Law Enforcement.

The Office of the Lieutenant Governor and Government Efficiency Teams, Inc. testified in support of the bill. The Department of the Prosecuting Attorney for the City and County of Honolulu testified in support of the intent of the bill. The Department of Public Safety testified in support of the intent of the bill and offered amendments. The Department of Human Resources Development and the Employees' Retirement System offered comments and amendments. The Police Department of the City and County of Honolulu testified about its concerns.

Your Committee finds that there are many details that still need to be addressed to effectuate a smooth transition of functions and personnel to the two new departments. Your Committee was particularly concerned about the duplication of services between the newly created Department of Law Enforcement and local law enforcement and whether the law enforcement positions with police powers are adequately trained and qualified to serve in the same manner as local police officers. Accordingly, your Committee has amended the bill by:

- (1) Adding the changes requested by the Department of Human Resources Development in Section 15 of the bill;
- (2) Requiring the Governor to appoint a management team to implement the transfer of personnel and functions, prepare a transition plan, recommend proposed legislation, review jurisdictional issues between the new Department of Law Enforcement and local law enforcement agencies, review duplication of services issues and submit a report to the Legislature prior to the convening of the 2004 session;
- (3) Requiring that the transfer of functions and personnel to the new Department of Law Enforcement on July 1, 2004, be conditioned on completion of training in accordance with national standards comparable to that required of local police officers;
- (4) Requiring the new directors of both departments to submit a report regarding the transition of function and personnel to the Legislature prior to the convening of the 2005 session;
- (5) Requiring that a person seeking employment in a position that requires criminal history record checks be denied employment if that person is convicted of a crime other than a minor traffic violation or if the department finds the prospective employee poses a risk to the health, safety, security or well-being of others; and
- (6) Making technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1393, S.D. 2, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 1393, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Caldwell, Ito, Souki and Finnegan.

SCRep. 1121 Judiciary on S.B. No. 1404

The purpose of this bill as received is to establish the Highway Development Special Fund into which impact fees shall be deposited for use, in part, for state highway improvements and to allow counties to assess such impact fees for state highway improvements.

The State of Hawaii Department of Transportation, the Estate of James Campbell, Land Use Research Foundation of Hawaii testified in support of the bill. The City and County of Honolulu opposed the bill and offered an amendment.

Your Committee finds that the amendment offered by the City and County of Honolulu is not necessary to meet its concerns. Your Committee further finds that only counties with population in excess of 500,000 should be permitted to assess impact fees for state highway improvements.

Your Committee has amended this bill by:

- (1) Limiting the proposed new part in chapter 264 to counties with populations in excess of 500,000; and

- (2) Making technical, nonsubstantive changes for clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1404, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 1404, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Caldwell, Ito, Souki and Finnegan.
(Representative Thielen voted no.)

SCRep. 1122 Judiciary on S.B. No. 830

The purpose of this bill as received by your Committee is to implement the recommendations of the Criminal History Record Check Working Group (Working Group) that was established by Act 263, Session Laws of Hawaii 2001 (Act 263). Specifically, the bill resolves disparate practices, inconsistencies, and duplicative language relating to the conduct of criminal history record checks for employment, certification, and licensing of individuals.

The City and County of Honolulu Police Department and Department of Human Resources, the State of Hawaii Department of Human Services, the Hawaii Civil Rights Commission, the Department of Human Resources Development, the Judiciary, and the Hawaii Bankers Association testified in support of the measure. The Chamber of Commerce of Hawaii, the Department of Health, the Department of the Attorney General, and the Department of Education testified in support of the measure and offered amendments. The Department of Commerce and Consumer Affairs Insurance Division testified that its practices of conducting criminal records checks through the Federal Bureau of Investigations and Hawaii Criminal Justice Data Center on persons engaged in the business of insurance are not affected by this bill.

Your Committee finds that the Working Group has made significant strides in completing the assignments as specified in Act 263. However, there is more work to be done by the Working Group, specifically making recommendations about new positions that should be included in the criminal history records check requirement, reviewing additional statutory language for uniformity and consistency, the use of nonconviction data and whether reliance on such data is legally permissible for all categories of positions covered by the various laws. Your Committee has prepared a memo outlining the specific issues to be reviewed by the Working Group. Even though there is additional work that should be done by the Working Group, your Committee believes that these issues should be addressed in subsequent legislation rather than delay implementation of the findings and recommendations of the Working Group made to date.

Accordingly, your Committee has amended by the bill by:

- (1) Clarifying the category of public employees subject to criminal history records check because of their contact with children or dependent adults or involvement in the treatment and care of persons committed to correctional facilities in the same manner as other employees who are specifically required by law to submit to such record checks;
- (2) Extending the life of the Working Group to June 30, 2005; and
- (3) Clarifying and correcting drafting errors and making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 830, S.D. 1, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 830, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Herkes and Pendleton

SCRep. 1123 Labor and Public Employment on S.B. No. 837

The purpose of this bill is to address critical needs of private industry and promote business development by clarifying the duties of the Workforce Development Council (WDC).

The Department of Labor and Industrial Relations testified in support of this bill. The Department of Business, Economic Development, and Tourism (DBEDT) and the Chamber of Commerce of Hawaii supported the intent of this measure.

Your Committee supports the efforts of the WDC and recognizes that, to compete in the global economy, Hawaii must develop a workforce with high-demand, cross-functional skill sets. However, your Committee finds that benchmarks must be established to determine whether WDC's goals are being met.

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

- (1) DBEDT to submit an annual report to the Legislature on its efforts to increase the number of high-skilled jobs in targeted industries;
- (2) WDC to include in the comprehensive state plan for workforce development:
 - (A) The number of placements of individuals into higher-skilled jobs;
 - (B) The identification of high-demand areas for job growth; and
 - (C) The need for skilled workers in the next five and ten years;
- (3) WDC to review and assess the coordination between state and federal workforce development programs and the placements of workers in higher-skilled jobs;
- (4) WDC to establish reporting requirements for job placement results by category of occupations in high-demand and high-growth areas; and
- (5) WDC to include in its annual report information relating to the number of individuals placed in high-demand or high-growth employment through workforce development programs by departments, and allocations of state, federal, and other funding to achieve placements into higher-skilled jobs.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 837, S.D. 1, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 837, S.D. 1, H.D. 2.

Signed by all members of the Committee.

SCRep. 1124 Labor and Public Employment on S.B. No. 205

The purpose of this bill is to require:

- (1) Public employers to provide to employees paid leave of at least four hours per year for personal matters involving the education or health of their minor children; and
- (2) That leave for such purposes not be credited against the employee's vacation or sick leave benefits.

Parents and Children Together and the Hawaii Coalition for Dads testified in support of this measure. The Department of Human Resources Development opposed this bill.

Since 1989, the State has allowed employees up to two hours of paid administrative time-off to attend two parent-teacher conferences for each child per school year, provided that employee's absences do not adversely interfere with work operations or result in additional human resource or overtime costs.

Since 1993, the State has also allowed regular employees to use sick leave toward family leave to care for a seriously ill child or other qualified family member.

From the standpoint of public policy, it would appear that the administrative policies and procedures that are currently being implemented provide employees with effective mechanisms to attend to their family needs. However, your Committee is concerned whether sufficient statutory safeguards exist to protect the employee's ability to use these mechanisms.

Under the current policy, employees are provided two hours of paid leave per child per school year to attend two conferences. This averages to one hour of leave for one conference per academic semester. Much can happen to a child's school performance over an entire semester, and if parents were able to meet with teachers on a quarterly basis, they would be better informed and in a better position to assist in the academic development of their child.

Your Committee believes that there is a need to establish statutorily the employee's ability to receive paid leave for parent-teacher conferences. Since the current practice is authorized by Executive Order rather than by statute, there will always remain the possibility that this benefit will be eliminated at the whim of the Chief Executive.

However, your Committee is mindful that any statutorily-based benefit will have adverse effects on the government's ability to provide high-quality and timely services to the general public. To this end, sufficient safeguards must also be established to ensure that the provision of leave for conferences will continue to be done in a manner that is fair and equitable to both the public-sector employer and employee.

Accordingly, your Committee has amended this bill by:

- (1) Providing that public sector employees be eligible for at least two hours of paid leave during normal business hours to attend a mutually-scheduled parent-teacher conference for the employee's minor child attending a public or private school in grades kindergarten through twelve, or a mutually-scheduled parent-caregiver conference for a preschool-aged child attending a licensed group child care center, as defined under section 346-151, Hawaii Revised Statutes;
- (2) Clarifying that the employee may take leave for no more than four mutually-scheduled parent-teacher conferences or parent-caregiver conferences per child in a calendar year;
- (3) Clarifying that travel time be included as part of the two hours permitted for each conference;
- (4) Clarifying that the provision of paid leave shall not adversely interfere with the operations of the work unit nor require the applicable agency to incur additional human resources or overtime costs; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity, style, and consistency.

Your Committee urges both the public sector employers and employees to implement this law in a mutually beneficial manner since it is ultimately the child's best interest that this law intends to support.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 205, S.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 205, S.D. 3, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1125 Labor and Public Employment on S.B. No. 931

The purpose of this bill is to assist victims of domestic violence, sexual assault, or stalking. Specifically, this bill:

- (1) Enables victims of domestic or sexual violence to maintain the financial independence necessary to leave abusive situations, achieve safety, and minimize the physical and emotional injuries from domestic or sexual violence;
- (2) Attempts to reduce the devastating economic consequences of domestic or sexual violence to employees and employers;
- (3) Ensures that victims of domestic or sexual violence can recover from and cope with the effects of such violence and participate in criminal and civil justice processes, without fear of adverse economic consequences from their employers; and

- (4) Ensures that victims of domestic or sexual violence can recover from the effects of such violence and participate in criminal and civil justice processes without fear of personal adverse economic consequences.

The Hawaii State Commission on the Status of Women, Domestic Violence Clearinghouse and Legal Hotline (DVCLH), Hawaii Women Lawyers, Department of Labor and Industrial Relations (DLIR), Hawaii State Coalition Against Domestic Violence, and ILWU, Local 142 testified in support of this bill.

The Department of Human Resources Development (DHRD) provided testimony supporting the intent of the bill, but noted that it had four important concerns, including:

- (1) The conflict with current collective bargaining laws and collective bargaining agreements;
- (2) The more than adequate leave provided by the State;
- (3) The potential for employees to stack leaves; and
- (4) The creation of a private right of action for employees against employers.

The Society for Human Resource Management (SHRM) and The Chamber of Commerce opposed this bill.

During the public hearing on this measure, DHRD informed your Committee that the Governor, DLIR, and DHRD had met to discuss the bill, and that each supported the bill, notwithstanding the major concerns noted by DHRD in its testimony. Unfortunately, your Committee was unable to address the inconsistencies between the testimony submitted by DLIR and DHRD as there was no representative from DLIR at the hearing.

Your Committee is hopeful that the Administration's support for employee leave, as evidenced in its support of this measure, will be applied consistently to other employee leave measures, and in particular H.B. No. 389, H.D. 2, which to date, both DLIR and DHRD have consistently opposed as anti-business.

It should be noted, however, that, unlike the present measure, H.B. No. 389, H.D. 2, does not require employers to provide any more leave than they are already required to provide under the law, or require them to provide sick leave that the employee has not already accrued. Rather, H.B. No. 389, H.D. 2, requires employers of 100 or more employees, who must currently provide four weeks of unpaid leave under chapter 398, Hawaii Revised Statutes (HRS), to permit employees to use up to ten days of their accrued sick leave for family leave purposes.

It is the requirement of additional leave that concerns your Committee most about the present measure, despite the Administration's support of this bill. Specifically, this bill would require employers with less than 50 employees to provide five days of unpaid leave for victims of domestic violence, sexual assault, or stalking. Currently, employers of this size are not subject to state or federal unpaid leave laws. Further, this bill would require employers of 50 or more employees to provide 30 days of unpaid leave, in addition to leave required under the federal family and medical leave law.

Your Committee has endeavored to maintain the fine balance between meeting employee needs, while attempting to address the concerns of the business community. While your Committee understands and supports the intent of this measure, your Committee cannot escape or ignore the economic realities faced by the business community. Accordingly, your Committee directed representatives of DHRD, DVCLH, and SHRM to collaborate on language addressing your Committee's concerns, including its effect on collective bargaining, stacking of leave, and certification and notification requirements. Although the representatives met, only DHRD and DVC reached consensus on language.

After careful consideration, your Committee has incorporated the compromise language agreed to by DHRD and DVC and has amended this bill by:

- (1) Including the definitions of "child", "employee", and "health care provider" that are consistent with the definitions in chapter 398, Hawaii Revised Statutes;
- (2) Including language concerning the relationship of victim leave benefits to other leaves, including those provided by federal and state paid and unpaid leave laws, and leave provided by collective bargaining agreements; and
- (3) Deleting language concerning the diminishment of victim rights benefits by employment agreement, collective bargaining agreement, or employment benefits program or plan.

In addition, your Committee has made technical, nonsubstantive amendments for purposes of clarity, style, and conformity.

It is the hope of your Committee that the dialogue between the Administration and DVCLH on the one hand, and the business community on the other hand does not end. Indeed, your Committee cannot sufficiently stress the importance of good faith effort on the part of all the parties to reach a compromise.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 931, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 931, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1126 Education on S.B. No. 666

The purpose of this bill is to provide quality learning environments for students by:

- (1) Requiring the Department of Education (DOE) to provide public school principals with an allocation for the purpose of reimbursing teachers for purchasing supplies and equipment for their students with out-of-pocket funds; and
- (2) Appropriating funds for the allocations.

The Hawaii State Teachers Association submitted testimony in support of this bill. DOE submitted testimony in support of the intent of this bill. An individual submitted testimony in opposition to this bill.

Your Committee finds that to ensure the effective operation of their classrooms, many teachers are required to use personal funds to purchase necessary supplies and equipment. The burden for creating a classroom environment that is conducive to learning

should not be placed upon teachers in this manner. This bill will help to ensure that teachers and students in public schools are provided with necessary supplies.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 666, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Evans, Arakaki and Morita.
(Representative Hale voted no.)

SCRep. 1127 Education on S.B. No. 1237

The purpose of bill is to:

- (1) Define the terms, "teaching out-of-field" and "out-of-field teacher" for purposes of statistical reporting by the Department of Education (DOE); and
- (2) Require that certain annual reports by DOE to the Hawaii Teacher Standards Board (HTSB) be posted on DOE's Internet website.

DOE, HTSB, and the Hawaii State Teachers Association submitted testimony in support of this bill.

Your Committee finds that the terms "teaching out-of-field" and "out-of-field teacher" are vaguely defined and subject to differing interpretations by DOE and HTSB. Your Committee further finds that a clarification of these definitions will benefit students, because the credentials of their teachers will be clearer.

Your Committee has amended this measure by inserting provisions that:

- (1) Appropriate funds to support the National Board Certification Candidate Support Program;
- (2) Provide for procedures for the enforcement of the penalty for hiring unlicensed individuals or for posing as a licensed teacher; and
- (3) Appropriate funds to HTSB for licensing and license renewal functions.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1237, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1237, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Kahikina and Tamayo.

SCRep. 1128 Education on S.B. No. 1381

The purpose of this bill is to make an emergency appropriation of \$1,000,000 to the Hawaii State Public Library System (HSPLS) to operate the Kapolei Public Library.

The Board of Education, HSPLS, and Estate of James Campbell submitted testimony in support of this bill.

Your Committee finds that the Kapolei Public Library is a vital resource and a state-of-the-art facility that has gone unused because no funding has been available. This bill will enable HSPLS to complete the library's collection and pay for maintenance, staffing, equipment, furniture, and other critical needs to allow the library to serve the public.

Your Committee has amended this bill by specifying that the emergency funding shall be expended solely to open and operate the Kapolei Public Library.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1381, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1381, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kahikina, Morita, Schatz, Leong and Ontai.

SCRep. 1129 Education on S.B. No. 1700

The purpose of this bill is to improve the funding and administration of charter schools by:

- (1) Establishing a new budget program identification number for charter schools;
- (2) Establishing a charter school education agency (agency) to provide administrative oversight of charter schools;
- (3) Requiring the agency to be governed by a nine-member board of directors appointed by the charter schools and administered by an executive director appointed by the board of directors;
- (4) Requiring the Legislature, based upon the projected enrollment of a charter school, to appropriate for each school an amount based upon the average per pupil cost for public schools in the previous year;
- (5) Requiring the Legislature to appropriate a base per-pupil amount for each general and special education student and a supplemental amount for each special education student;
- (6) Requiring the Department of Education (DOE) and charter school representatives to develop a list of central services that DOE may offer for purchase at an annual cost, to be negotiated between an individual charter school and the DOE;
- (7) Requiring charter schools to develop and provide special education and related services within a student's individualized education program if the student is eligible for special education and related services; and

- (8) Requiring the Department of Budget and Finance to make allocations directly to charter schools for fiscal year 2003-2004 to enable the schools to access state funds prior to the establishment of the agency.

The Hawaii Association of Independent Schools, the Chamber of Commerce of Hawaii, Hawaii Charter Schools Network, and numerous students, teachers, administrators, and other individuals from various charter schools submitted testimony in support of this bill. The League of Women Voters of Hawaii submitted testimony in support of this bill with proposed amendments. DOE, Hawaii State Teachers Association, Hawaii Business Roundtable, and Kamehameha Schools submitted testimony in support of the intent of this bill. The State Auditor and Hawaii Government Employees Association submitted comments on this bill.

Your Committee finds that it is critical to establish a more effective system of funding charter schools. Since the establishment of New Century Charter Schools, there have been difficulties in establishing an equitable formula for appropriating moneys to charter schools, which has forced many charter schools to find ways to operate on very limited funding.

Your Committee has amended this bill by:

- (1) Changing the new budget program identification number for charter schools from EDN 110 to EDN 700;
- (2) Requiring that appropriations to charter schools be based on projected enrollment and the per-pupil amount provided for DOE students as reported in most recent DOE consolidated annual financial report;
- (3) Deleting the agency and associated references;
- (4) Restoring statutory language relating to federal funding for charter schools and provisions requiring the timely transfer of operating funds to charter schools;
- (5) Appropriating funds to DOE for the operation of charter schools; and
- (6) 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 S.B. No. 1700, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1700, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Evans, Arakaki and Morita.

SCRep. 1130 Education/Higher Education on S.B. No. 16

The purpose of this bill is to create a tuition reimbursement program for individuals who graduate from a state-approved teacher education program in Hawaii and who teach in Hawaii public schools for at least six consecutive years.

The University of Hawaii, Hawaii Association of Independent Schools, and the Hawaii Business Roundtable, University of Phoenix—Hawaii Campus, Hawaii State PTSA, and the Hawaii Teacher Standards Board submitted testimony in support of this bill. The Department of Education submitted testimony in support of the intent of this bill.

Your Committees find that education is a top priority in Hawaii. To provide Hawaii's youth with access to a quality education, we must ensure that there are qualified teachers available to teach in this State. Your Committees understand that incentives such as extending the eligibility of a tuition reimbursement program will encourage the retention of teachers in Hawaii.

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

As affirmed by the records of votes of the members of your Committees on Education and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 16, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 16, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1131 Agriculture/Water, Land Use, and Hawaiian Affairs on S.B. No. 1034

The purpose of this bill is to ensure the long-term productive use of agricultural lands by allowing certain agricultural lands leased or available to be leased by the Department of Land and Natural Resources (DLNR) to be transferred to, and managed by, the Department of Agriculture (DOA).

DLNR, DOA, Hawaii Farm Bureau Federation, and the Hawaii Forest Industry Association supported this bill. Hawaii's Thousand Friends opposed this bill. Sierra Club, Hawaii Chapter offered comments.

This measure will allow the transfer and management of public lands classified for agricultural use from DLNR to DOA upon mutual agreement and approval by the respective Boards of both departments. With the transfer of responsibility, both departments are directed to coordinate and determine the commensurate level of personnel resources which should likewise be transferred.

An underlying purpose of this bill is to provide appropriate flexibility in the administration of leases so that productive farmers will be able to remain on public agricultural lands. This will be accomplished through the rule making process pursuant to chapter 91. It is the intent of your Committees that lease extensions and the privilege of remaining on public agricultural lands be accorded only to deserving farmers who meet criteria established by such rules.

However, your Committees note that several concerns were raised during the public hearing for this measure. One issue raised was the absence of aquaculture activities under the definition of "agricultural activities" contained in this bill. Your Committees support future legislative efforts to address the issue of whether aquaculture should be included in the definition.

In addition, another concern raised during the public hearings related to the issue of allowing golf courses on prime agricultural lands transferred as a result of this bill. Your Committees received assurances by testifiers representing DLNR and DOA that none of the prime agricultural lands transferred as a result of this bill would be used for golfing. However, it is not the intent of your Committee to prohibit golfing on marginal or "non-prime" agricultural lands that are transferred as a result of this bill.

Furthermore, your Committees note that serious concerns were raised regarding the proceeds from DLNR's leases on ceded lands. Currently, 20 percent of such proceeds are transferred to the Office of Hawaiian Affairs for the betterment of the conditions of native Hawaiians. However, with the transfer of agricultural ceded lands to DOA and the potential of lower lease rents levied by DOA, the funding for OHA may be reduced. Your Committees recognize this potential problem and support future legislative efforts to address this issue.

In a related point, your Committees note that grave concerns were expressed regarding the funding mechanism included in this bill. This measure establishes the Other Agricultural Lands Special Fund (Special Fund), into which all revenues received by DOA from transferred agricultural lands are to be deposited. The proceeds from the Special Fund are to be used for purposes approved by the Board of Agriculture. Your Committees recognize, however, that the establishment of the Special Fund will result in a revenue loss to the State. Currently, 80 percent of the proceeds from ceded lands leased by DLNR are transferred to the general fund. If these lands are transferred to DOA under the provisions of this bill, then the proceeds from the lands will be deposited into the Special Fund, instead of the general fund. This is a serious problem, especially in light of the fiscal and budgetary constraints already facing the State.

In light of these factors, your Committees have amended this measure by:

- (1) Deleting the provision that establishes the Special Fund; 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 Agriculture and Water, Land Use, and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1034, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1034, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Karamatsu, Magaoay, Schatz, Marumoto, Ontai, Evans, Waters and Thielen.

SCRep. 1132 Water, Land Use, and Hawaiian Affairs on S.B. No. 1151

The purpose of this bill is to clarify the definitions of "public land trust" and "revenues" under chapter 10, Hawaii Revised Statutes (HRS) relating to the Office of Hawaiian Affairs (OHA), and to conform certain provisions of chapter 10, HRS, to the definitions established by this bill.

Specifically, this bill:

- (1) Defines "public land trust" to mean, in general, those lands which were ceded to the United States by the Republic of Hawaii and later conveyed to the State; and
- (2) Defines "revenue" to mean, in general, all proceeds, fees, charges, rents or other income derived from any sale, lease, license, permit, or other similar proprietary disposition, permitted use, or activity that is situated upon and results from the actual use of lands comprising the public land trust, with certain exclusions.

OHA supported this bill. The Department of the Attorney General and the Hawaiian Political Action Council of Hawaii supported the intent of this bill.

Your Committee's discussion with the Deputy Attorney General concluded that this bill is not required to authorize continuing voucher payments to OHA, but is needed to:

- (1) Provide legislative clarification in resolving perceived statutory inconsistencies concerning the source and calculation of Public Trust revenues;
- (2) Reestablish the continued funding of OHA; and
- (3) Fulfill the mandate of the Hawaii State Constitution.

Your Committee has amended this measure by:

- (1) Deleting the amendments to section 10-13.5, HRS, that conform this section to the provisions of this bill by clarifying that 20 percent of all revenue derived from the public land trust shall be expended by OHA for the betterment of the conditions of native Hawaiians; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee notes that the amendment in (1) was included in this bill as reported out of your Committee with the intent of discussing this issue in Conference. Your Committee also intends to discuss the issue of the appropriateness of exempting revenues derived from the exercise of "sovereign" functions and powers in Conference as well.

As affirmed by the record of votes of the members of your Committee on Water, Land Use, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1151, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1151, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kaho'ohalahala.

SCRep. 1133 Water, Land Use, and Hawaiian Affairs on S.B. No. 1418

The purpose of this bill, as received by your Committee, is to establish a process by which the State and counties are provided protection from liability on improved and unimproved public lands when certain requirements are met relating to warning signs that conform to the Board of Land and Natural Resources' (BLNR) rules.

The Department of the Attorney General submitted testimony in support of this bill, with comments. The Department of Land and Natural Resources submitted comments on this measure. The Consumer Lawyers of Hawaii opposed this bill.

The increasing public demand for outdoor recreation and instances of serious injuries while engaged in this activity make the need to address the issue of the standard of care to be exercised by the government in the management of public lands used for

recreational purposes, of utmost importance. Your Committee finds that the provisions of H.B. No. 1214, H.D. 1, strike an equitable balance between the personal responsibility of people engaged in recreational pursuits and the duty of the government to take reasonable measures to protect citizens from harm by providing adequate warning.

After careful consideration, your Committee has amended this measure by deleting its content and inserting the provisions of H.B. No. 1214, H.D. 1, that:

- (1) Establish a process whereby a sign warning of dangerous natural conditions on improved lands, as part of a comprehensive plan, shall be conclusively presumed to be legally adequate to warn of the dangerous condition if the plan has been approved by the Chairperson of BLNR (Chairperson);
- (2) Require the Chairperson to consult with the Risk Assessment Working Group prior to approving the comprehensive plan for warning of dangerous conditions on improved lands;
- (3) Address the legal effect of warning signs on unimproved lands;
- (4) Provide for situations where a warning sign is vandalized, otherwise removed, or made illegible;
- (5) Provide that chapter 91, Hawaii Revised Statutes, shall not apply to any process, including any action taken by the Chairperson; and
- (6) Establish a Risk Assessment Working Group to provide consultation to the Chairperson on the design and placement of warning signs, devices, or systems, and comprehensive plans for them.

As affirmed by the record of votes of the members of your Committee on Water, Land Use, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1418, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1418, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1134 Human Services and Housing/Health on S.B. No. 959

The purpose of this bill is to provide for forensic medical examinations for children in foster custody placements.

The Department of Human Services submitted testimony in opposition to this bill.

Your Committee has amended this bill by:

- (1) Changing the appropriation amounts to \$1 to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments to conform to drafting 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 S.B. No. 959, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 959, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Shimabukuro, Takai, Takumi and Finnegan.

SCRep. 1135 Human Services and Housing/Health on S.B. No. 1399

The purpose of this bill is to encourage individuals to purchase long-term care insurance by providing a phased-in refundable income tax credit beginning at 10 percent of the long-term care insurance premiums in 2004, up to 30 percent in 2006 and thereafter.

The Governor, Department of Taxation, Hawaii State Commission on the Status of Women, Chamber of Commerce of Hawaii, American Council of Life Insurers, Healthcare Association of Hawaii, Health Insurance Association of America, Hawaii Association of Health Underwriters, Hawaii Medical Association, and NAIFA Hawaii testified in support of this measure. The Coalition for Affordable Long Term Care opposed this measure. The Tax Foundation of Hawaii submitted comments.

Your Committees recognize that Hawaii is facing a long-term care crisis and that only about six percent of the population is covered by long-term care insurance. All mechanisms to promote the purchase of long-term care insurance must be considered, including a long-term care premium income tax credit.

Your Committees have amended this bill by replacing its contents with that of H.B. 90, H.D. 1, which:

- (1) Allows a taxpayer to claim a refundable tax credit of the lesser of \$2,500 or 50 percent of the cost of long-term care insurance premium payments;
- (2) Requires a declaration by the Governor to claim the tax credit, provided that general fund tax collections at the close of two successive fiscal years exceed 7.5 percent of the general fund tax collections for each of the two prior fiscal years; and
- (3) Applies the tax credit to taxable years beginning after December 31, 2002, and repeals the law on January 1, 2007.

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 S.B. No. 1399, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1399, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takai, Takumi and Stonebraker.

SCRep. 1136 Education on S.B. No. 360

The purpose of this bill is to establish a Reusable Resource Center on state property through a public-private partnership, to collect and distribute recyclable materials for teachers and others to use as tools for creative learning in classrooms and the community.

Your Committee received testimony in support of this bill from the City and County of Honolulu Department of Environmental Services, Estate of James Campbell, Maui Recycling Group, Inc., Hawaii Computers for Kids Program, Hawaii Organization of Grant-Seekers, International Design Sources, Kama'aina Kids, numerous Department of Education personnel, and concerned private citizens. The Department of Education, Department of Business, Economic Development, and Tourism, and Hawaii State Teachers Association submitted testimony in support of the intent of this measure.

Your Committee finds that recycled materials can often be used in practical and creative ways. Using recycled products will teach Hawaii's children the value of a sustainable environment and demonstrate ingenuity for alternative uses of materials.

Your Committee has amended this bill by clarifying that the Reusable Resource Center will be staffed by department employees or individuals from the community on a volunteer basis.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 360, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 360, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Kahikina and Tamayo.

SCRep. 1137 Judiciary on S.B. No. 1279

The purpose of this bill is to consolidate into one fund tax stamp fees collected for enforcement of Chapter 245, Hawaii Revised Statutes (HRS), and funds received for enforcement of the tobacco Master Settlement Agreement (MSA) and Chapter 675, HRS.

Your Committee received testimony in support of this measure from the Attorney General, with proposed amendments.

Your Committee finds this measure is needed to ensure that our State receives its rightful share of Master Settlement Agreement funds and stamp tax revenues.

Your Committee has amended this measure, in accordance with the Attorney General's testimony by:

- (1) Adding a new section 8 to close a loophole in existing law that has permitted some companies that refused to join the Master Settlement Agreement to avoid responsibility under Chapter 675, HRS;
- (2) Adding a new section 9 to assure that the language of Chapter 675, HRS, will revert to its original form in the event of a successful challenge to this bill's amendments; and
- (3) Amending the effective date for repeal of the cigarette tax stamp enforcement special fund to enable sufficient time for a transfer of funds to the tobacco enforcement special fund.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1279, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1279, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Caldwell, Ito, Souki and Finnegan.

SCRep. 1138 Judiciary on S.B. No. 610

The purpose of this bill is to authorize and fund a special master to recommend awards for timely filed claims undecided by the Hawaiian Homes Lands Trust Individual Claims Review Panel prior to its dissolution in 1999.

The Native Hawaiian Legal Corporation and the attorney for 2721 class members in *Kalima v. State*, Civil No. 99-4471-12VSM testified in support of this bill. A concerned citizen testified in support of the intent of this measure. The Attorney General testified in opposition to this bill. The Department of Hawaiian Home Lands submitted comments.

The legitimacy of claims based solely on the length of time an applicant waits to receive a homestead (pure "wait list" claims) was a subject of Committee discussion and concern. As expressed, it would have been totally impossible for the State to have accommodated all claims which would have been generated by all eligible native Hawaiians. It also appears to be unfair that payment should be rendered only to those on the waiting list and not to other eligible native Hawaiians who refrained from filing for many reasons, including the belief that pure wait list claims should not be honored. This question will continue to be addressed in the Committee on Finance.

To promote ongoing dialogue, your Committee has amended this measure by replacing its contents with proposed language that was contained in the testimony of the attorney for 2721 class members in *Kalima v. State* that was approved by the Native Hawaiian Legal Corporation. Technical, nonsubstantive amendments were made to this language for consistency and style. Your Committee has also inserted an effective date of December 31, 2049.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 610, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 610, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Caldwell, Ito, Souki and Finnegan.

SCRep. 1139 Judiciary on S.B. No. 1156

The purpose of this bill is to require the Office of Hawaiian Affairs to create a registry of all persons of Hawaiian ancestry, regardless of place of residence.

The Office of Hawaiian Affairs and a concerned individual testified in support of this bill.

Your Committee finds this measure will enhance the capacity of the Office of Hawaiian Affairs to communicate with its constituents who may ultimately be part of the process of Hawaiian self-determination.

Your Committee was informed that staff shortages have caused delays in completing registry tasks. Accordingly, your Committee has amended this bill by:

- (1) Including an appropriation provision; and
- (2) Changing the effective date to provide that the appropriation section takes effect on July 1, 2003, to reflect the fiscal year.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1156, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 1156, H.D. 1.

Signed by all members of the Committee except Representatives Caldwell, Ito, Souki and Finnegan.

SCRep. 1140 Judiciary on S.B. No. 1351

The purpose of this bill, as received, is to require the Department of Human Services (DHS) to establish standards, which shall include criminal history record and adult and child protective service records checks, to ensure the reputable and responsible character of service providers who have direct contact with individuals receiving services through the Adult Services Programs.

DHS testified in support of this bill.

Your Committee has amended this bill by:

- (1) Deleting its contents and replacing it with language from H.B. No. 925, H.D. 3, proposing a new section for chapter 346, Hawaii Revised Statutes;
- (2) Adding the foster grandparent program volunteers to the list of positions for which criminal history records checks and child abuse perpetrator checks can be conducted;
- (3) Adding children as part of the group of protected persons who receive services from certain providers and employees in DHS;
- (4) Adding child abuse perpetrator record checks to the types of background checks that may be conducted by DHS on certain providers and employees who have direct contact with children;
- (5) Providing an appropriation of \$50,000 for fiscal year 2003-2004; and
- (6) Making technical, nonsubstantive changes for style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1351, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 1351, H.D. 1.

Signed by all members of the Committee except Representatives Caldwell, Ito, Souki and Finnegan.

SCRep. 1141 Health/Human Services and Housing on S.B. No. 1109

The purpose of this bill is to require any family or household member who knows or believes that a dependent adult family or household member (adult):

- (1) Needs medical treatment;
- (2) Is unable to obtain it; and
- (3) Is at imminent risk of death or serious injury,

to seek medical treatment for the adult or report the matter to the police.

The City and County of Honolulu Police Department and a Maui County Council member testified in support of this measure. The City and County of Honolulu Department of the Prosecuting Attorney and Christian Science Committee on Publication for Hawaii also supported this bill with amendments. The Department of Human Services (DHS) opposed this measure.

Your Committees find that although most people will assist an adult in need of medical care, there are instances where such treatment may not be rendered. Currently, there is no criminal liability if a family member fails to provide medical care for a dependent adult. Moreover, because a family member is currently not considered a mandated reporter, that family member is not required to report the adult's condition to authorities.

Your Committees have amended this bill by:

- (1) Simplifying references to "necessary health care, access to health care, or prescribed medication" with "medical treatment or care";
- (2) Allowing a family or household member to also report the matter to DHS; and
- (3) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1109, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1109, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Shimabukuro, Takai, Takumi and Finnegan.

SCRep. 1142 Health/Human Services and Housing on S.B. No. 1088

The purpose of this bill is to meet long-term care (LTC) needs in Hawaii by:

- (1) Establishing a LTC income tax starting at \$144 for the 2006 taxable year and increasing incrementally thereafter; and
- (2) Providing a benefit level beginning at \$70 per day for 365 days and increasing incrementally thereafter.

The Hawaii State Commission on the Status of Women, National Association of Social Workers - Hawaii Chapter, Hawaii Alliance for Retired Americans, Long Term Care Finance Act Temporary Board of Trustees, Hawaii Long Term Care Association, Coalition for Affordable Long Term Care, Policy Advisory Board for Elder Affairs, Faith Action for Community Equity, AARP Hawaii, ILWU Local 142, and many concerned individuals testified in support of this measure. Kokua Council and the Healthcare Association of Hawaii supported this measure with amendments.

The Hawaii Association of Realtors, Chamber of Commerce of Hawaii, NAIFA Hawaii, Health Insurance Association of America, and Hawaii Bankers Association opposed this measure. The Department of Taxation, Tax Foundation of Hawaii, and Hawaii Medical Association submitted comments.

Your Committees recognize that Hawaii is facing a LTC crisis. Although private LTC insurance is available, only a small percentage of individuals have purchased it. Private LTC insurance is unaffordable for many people. Some argue that \$70 per day is not enough to pay for care in a LTC facility, but that \$70 may pay for services to keep an individual at home and out of a facility.

Your Committees have amended this bill by:

- (1) Using the term "defined benefit" in place of "benefit payments", and describing conditions of, and adjustments to the benefit;
- (2) Providing that the LTC income tax shall not be imposed on a person who is fully vested to receive a defined benefit and is receiving that benefit;
- (3) Providing that LTC benefits shall be excluded from income tax;
- (4) Inserting a provision governing withholding of LTC income tax from wages and making conforming amendments to the withholding provisions of the income tax law;
- (5) Deleting the provision that exclusions from gross income, adjusted gross income, and taxable income provided by section 235-7, Hawaii Revised Statutes (HRS), do not apply to individuals with income exceeding specified levels for purposes of imposing the LTC income tax;
- (6) Replacing the requirement that a person 65 years or older who does not file a tax return shall file a LTC premium tax form, with the provision that the board of trustees of the LTC Financing Program (board) establish a procedure allowing persons who receive pensions and do not file a tax return, to voluntarily pay the LTC tax;
- (7) Replacing the requirement that adjustments in the amount of LTC income tax be preceded by an actuarial review to determine whether the LTC financing system is in balance, with the requirement that the board of trustees recommend adjustments to the tax that are substantiated by an actuarial report, for taxable years after December 31, 2012;
- (8) Establishing a LTC tax credit of a maximum of \$120 per year applicable between December 31, 2003 to January 1, 2009, and \$180 per year between December 31, 2008 and January 1, 2014;
- (9) Describing the conditions for vesting for LTC benefits, the effect of nonpayment of tax on vesting, and the effect of the individual's death before LTC payments commence;
- (10) Establishing portability of LTC benefits by allowing a person vested to receive benefits to continue to be vested and make payments after leaving the State, and requiring defined benefits to be paid without regard to place of residence;
- (11) Moving the required actuarial report of the LTC Financing Program from chapter 235, HRS, the income tax law, to chapter 346C, HRS, the LTC financing program law, and providing that the board may adjust the defined benefit based on the report;
- (12) Providing in the LTC financing program law that the program shall be implemented under the new part added to chapter 235, HRS, by the bill;
- (13) Providing that qualified entities contracted to administer the LTC financing programs or to process benefit claims shall ensure against fraud and abuse in claims and payment of benefits;
- (14) Removing the amendment to Act 245, Session Laws of Hawaii 2002, that deleted the requirement that the temporary board of trustees appointed to design the Hawaii LTC financing program recommend a third party administrator;
- (15) Exempting the LTC Benefits Fund from transfers for central service expenses and administering department administrative expenses;
- (16) Requiring the LTC fund to reimburse the general fund after July 1, 2010, for amounts appropriated for fund start-up costs and administration of the Act;
- (17) Appropriating unspecified amounts to the Department of Taxation and Department of Budget and Finance for start-up costs to collect and administer the LTC income tax; and
- (18) Making other technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1088, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1088, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takai, Takumi and Stonebraker.

SCRep. 1143 Health/Human Services and Housing on S.B. No. 964

The purpose of this bill is to appropriate funds for sex abuse treatment services, including psychological treatment and case management services, for child victims of intrafamilial sexual abuse and their families who are not a part of the Child Protective Services (CPS) system of the Department of Human Services (DHS).

The Judiciary, Friends of the Children's Justice Centers, and Child Welfare Services Council testified in support of this measure. DHS opposed this bill.

Your Committees find that CPS is overburdened and that there are insufficient DHS social workers and counseling services to accommodate the number of intrafamilial sex abuse cases. Without accessible sex abuse treatment, child victims of intrafamilial sexual abuse are more likely to have social problems, such as dropping out of school, teenage pregnancy, substance abuse, prostitution, and mental health issues. Thus, your Committees find that spending funds on sex abuse treatment programs will benefit both the victims of sex abuse as well as the community, and will also save the State from funding larger problems in the long-run.

Your Committees have amended this bill by:

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

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 964, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 964, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Shimabukuro, Takai and Finnegan.

SCRep. 1144 Health on S.B. No. 963

The purpose of this bill is to continue to protect Hawaii's residents and visitors in mitigating the impact of poisonings by appropriating funds to the Department of Health (DOH) to continue to operate a hospital-based poison center twenty-four hours a day.

DOH, Kaiser Permanente, Kapiolani Medical Center, Hawaii Primary Care Association, Healthcare Association of Hawaii, Hawaii Pest Control Association, Hawaii Medical Service Association, and many individuals testified in support of this measure.

Your Committee finds that poison centers are recognized as a component of the Homeland Security initiative as a resource for disease surveillance and immediate public access to information and education. Moreover, your Committee finds that poison centers are effective in mitigating the impact of poisonings and reducing health care costs and that inadequate operation of a poison center may lead to unnecessary physician and emergency department visits.

Due to current economic conditions, your Committee has been informed that The Hawaii Poison Center (Poison Center) may face closure or a reduction in hours if funding is not provided. The expenses in fiscal year 2003 are expected to be \$500,000, which cover the costs of the twenty-four-hour hotline, public education program, administration, and staffing. The twenty-four-hour hotline alone costs approximately \$320,000 per year to operate. The Poison Center projects a similar expenditure plan for 2004.

The Poison Center currently receives funds from a variety of sources including federal grants, the Department of Agriculture pesticide program, grants from local foundations, donations, in-kind services, and direct contributions from Kapiolani Medical Center. In fiscal year 2003, the anticipated total revenue for the Poison Center is \$500,000. However, the anticipated revenue for the Poison Center in fiscal year 2004 is expected to reach only \$238,000, a decrease by over 50 per cent, resulting in a \$262,000 deficit.

Businesses, healthcare organizations, and other donors that normally contribute funding, including Kapiolani Medical Center which in 2003 contributed over \$148,000 and operates the Poison Center, have indicated that they may not be able to assist this year because of the poor economy.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 963, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 963, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kahikina, Shimabukuro, Takai and Finnegan.

SCRep. 1145 Health on S.B. No. 1361

The purpose of this bill is to improve patient outcomes and reduce consumer drug costs by:

- (1) Expediting the approval of less costly, therapeutically equivalent, generic drugs for substitution; and
- (2) Expediting the removal of non-equivalent drugs from the State formulary for generic substitution.

The Department of Health, Hawaii Pharmacists Association, Chamber of Commerce of Hawaii, Kaiser Permanente, American Cancer Society, AARP Hawaii, and Hawaii Medical Service Association testified in support of this measure.

Your Committee finds that currently, the process of approving generic drugs for substitution in place of name-brand drugs is very time consuming, resulting in added expenses for consumers. With the exponential, continual, increase in prescription drug prices, this measure is crucial to providing cost-savings to consumers.

Your Committee has amended this bill by:

- (1) Correcting a typographical error;
- (2) Inserting a provision to comply with federal regulations regarding Medicaid and Medicare reimbursements;
- (3) Reinstating a provision that had been removed in the Senate Draft, and that informed consumers of their right to refuse substitution of a generic drug product; 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 S.B. No. 1361, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1361, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Kahikina, Shimabukuro, Takai and Finnegan.

SCRep. 1146 Energy and Environmental Protection on S.B. No. 354

The purpose of this bill is to support energy conservation by:

- (1) Extending tax credits for heat pumps and ice storage systems to heat pumps and ice storage systems that are installed and placed in service before July 1, 2008; and
- (2) Changing the amounts of the tax credits for heat pumps and ice storage systems to unspecified amounts.

Scheibert Energy Company, Life of the Land, Plumbers and Fitters Union Local 675, Off-Peak/Elite Energy Group, LLC, The Trane Company, Powerlight Corporation, Hawaii Solar Energy Association, Inter-Island Solar Supply, Economy Plumbing and Sheet Metal, Inc., Plumbing and Mechanical Contractors Association of Hawaii, Elite Mechanical, Inc., Subcontractors Association of Hawaii, American Society of Heating, Refrigerating and Air-Conditioning Engineers, Inc., Building Industry Association of Hawaii, and Iolani School testified in support of this measure. The Department of Business, Economic Development, and Tourism, Hawaiian Electric Company, Inc., Hawaii Electric Light Company, and Maui Electric Company offered testimony in support of the intent of this measure. Tax Foundation of Hawaii, Department of Taxation, The Gas Company, Hess Microgen, and two concerned citizens offered comments.

Your Committee finds that this measure is necessary to increase the State's energy self-sufficiency by encouraging residents and businesses to invest in energy-efficient technologies and technologies that reduce demand during times of peak electricity usage.

Your Committee has amended this measure by:

- (1) Extending the tax credits for heat pumps and ice storage systems to heat pumps and ice storage systems that are installed and placed in service before July 1, 2007, instead of July 1, 2008;
- (2) Deleting the unspecified amounts for the tax credits for the following heat pumps and restoring the existing amounts for those credits:
 - (A) For heat pumps in single-family residential buildings, the credit shall be in an amount not to exceed 20 per cent or \$400 whichever is less, of the actual cost of the heat pump; and
 - (B) For heat pumps in multiunit buildings used primarily for residential purposes, the credit shall be in an amount not to exceed 20 percent or \$200 per building unit, whichever is less, of the actual cost of the heat pump;
- (3) Specifying that the tax credit for heat pumps in hotel, commercial, and industrial facilities shall be in an amount not to exceed 20 percent or \$500,000, whichever is less, of the actual cost of the heat pump;
- (4) Specifying that the tax credit for ice-storage systems shall be in an amount not to exceed 20 per cent or \$500,000, whichever is less, of the actual cost of the ice storage system; and
- (5) Establishing that state tax credits for wind energy systems, solar energy systems, heat pumps, and ice storage systems shall be reduced by the amount of any federal utility rebates.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 354, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 354, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Bukoski.

SCRep. 1147 Energy and Environmental Protection on S.B. No. 840

The purpose of this bill is to protect Hawaii's natural environment and address potential conflicts of interest in the environmental review process by:

- (1) Including proposals for any wastewater facilities, waste-to-energy facilities, landfills, oil refineries, or power-generating facilities in the list of proposals for which an environment assessment is required; and

- (2) Authorizing the Office of Environmental Quality Control (OEQC), in cases where a conflict of interest may exist because the agency proposing the action and the agency making the determination are the same, to review the agency's final determination, consult the agency, and make a final determination to determine whether an environmental impact statement shall be required for the proposed action.

The Sierra Club, Hawaii Chapter, Life of the Land, Na Leo Pohai, and Hawaii's Thousand Friends supported this bill. OEQC supported the intent of this bill. The Department of Transportation, Department of Planning and Permitting of the City and County of Honolulu, and the Board of Water Supply for the City and County of Honolulu opposed this bill.

Your Committee has amended this bill by:

- (1) Excluding "individual wastewater systems" from the list of proposals for which an environmental assessment is required; 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 Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 840, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 840, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho and Bukoski.

SCRep. 1148 Energy and Environmental Protection/Agriculture on S.B. No. 1505

The purpose of this bill is to protect the fragile natural environment of the State by:

- (1) Providing statutory authority for the Hawaii Invasive Species Council (Council) to address the problem of invasive species in the State, as authorized by Executive Order No. 2002-03;
- (2) Authorizing the Departments of Agriculture (DOA), Health, and Land and Natural Resources (DLNR) to enter private and public premises to examine, control, and eradicate invasive species;
- (3) Banning the import, offer for sale, or sale of any Salvinia plant or portion thereof within the State; and
- (4) Extending the effective term of any interim rule made by the DOA for plant and non-domestic animal quarantine from 180 days to one year.

The Nature Conservancy of Hawaii, Maui Invasive Species Committee, Coordinating Group on Alien Pest Species, and a member of the Maui County Council testified in support of this bill. The Sierra Club - Hawaii Chapter and Hawaii Pest Control Association supported this measure with amendments. DOA and DLNR supported the intent of the bill.

Your Committees find that invasive insects, disease-bearing organisms, snakes, weeds, and other pests pose one of the greatest threats to the environment and economy of Hawaii and to the health and lifestyle of its people. The recent outbreak of dengue fever, the proliferation of Coqui frogs, and the infestation of Salvinia molesta choking Lake Wilson and Kawainui Marsh on Oahu are just a few examples of the dangers of invasive species.

Your Committees have amended this bill by, among other things:

- (1) Making the Council a temporary body;
- (2) Modifying the composition of the Council members;
- (3) Expanding the authority of state departments to enter public or private premises for the purpose of examining, controlling, and eradicating invasive species;
- (4) Prohibiting the import, offer for sale, or sale of pistia stratiotes plants or any portion thereof within the State; and
- (5) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Energy and Environmental Protection and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1505, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1505, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bukoski, B. Oshiro, Tamayo, Halford and Ontai.

SCRep. 1149 Energy and Environmental Protection/Economic Development and Business Concerns on S.B. No. 1611

The purpose of this bill is to provide a waiver application process for dealers required to operate bottle redemption centers.

The Hawaii Food Industry Association testified in support of this bill. The Retail Merchants of Hawaii, Pepsi Bottling Group, and Coca-Cola Bottling Company of Hawaii supported the intent of this measure. The Department of Health (DOH) and Paradise Beverages opposed this measure.

Protection of Hawaii's natural and pristine environment is of the utmost importance. One of the biggest reasons visitors travel to our islands is for the scenic beauty which the State is known for. Your Committees find that requiring DOH to establish criteria for businesses to obtain a waiver from the application process required to operate bottle redemption centers will address concerns raised by the retail industry on the burdens placed on them by Act 176, Session Laws of Hawaii 2002, also known as the "Bottle Bill." By allowing retailers to obtain a waiver based on a less costly or more efficient plan for redemption for the dealer's area, recycling may increase, further assisting in the State's efforts to preserve our environment for generations to come.

However, your Committee also finds that the Deposit Beverage Container Program can be clarified further. Accordingly, your Committee has amended this measure by:

- (1) Exempting from the income tax, amounts received as a beverage container deposit;
- (2) Requiring each deposit beverage distributor to generate a monthly report to DOH of the total sales to dealers of consumers;
- (3) Requiring that, beginning January 1, 2005, payment of the deposit beverage container fee and deposits shall be made monthly based on sales reports of the deposit beverage distributors;
- (4) Clarifying that the amount due from deposit beverage distributors shall be the net number of deposit beverage containers sold multiplied by the sum of the prevailing deposit beverage container fee and the refund value of five cents;
- (5) Specifying that payment of this amount shall be by check or money order made payable to DOH;
- (6) Requiring all importers and manufacturers to submit annual reports to DOH by October 15, 2004, and each October 15th thereafter and shall contain the quantities of containers imported or manufactured during the previous year by material type and size;
- (7) Clarifying that dealers operating a redemption center shall accept all types of empty deposit beverage containers with a Hawaii refund value;
- (8) Clarifying that all dealers shall post a clear and conspicuous sign at the primary public entrance to the dealers place of business, which specifies the address and hours of operation of the closest nondealer redemption center locations;
- (9) Allowing DOH to withdraw the certification of a redemption center;
- (10) Deleting the requirement that redemption centers crush or destroy all deposit beverage containers that are accepted at the time of redemption;
- (11) Allow DOH to:
 - (A) Limit the number of redemption centers to maintain appropriate operating scale;
 - (B) Set minimum distances between redemption centers;
 - (C) Permit potential redemption center operators to bid for the right to operate a center if there are conflicts over servicing a particular area; and
 - (D) Set minimum population requirements to be served by a redemption center.
- (12) Requiring that payments for handling fees shall be made within sixty days of receiving collection reports from redemption centers; provided there is no discrepancy in the collection reports; and
- (13) Repealing Section 324G-105, which established requirements for deposit beverage containers inventory reports and payments.

As affirmed by the records of votes of the members of your Committees on Energy and Environmental Protection and Economic Development and Business Concerns that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1611, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1611, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bukoski, Tamayo, Marumoto and Ontai.

SCRep. 1150 Human Services and Housing/Health on S.B. No. 1584

The purpose of this bill is to:

- (1) Statutorily establish the Pre-Plus Early Childhood Education Program (Pre-Plus Program) within the Department of Human Services (DHS); and
- (2) Appropriate funds for a support position for the Pre-Plus Program.

The Hawaii State PTSA, Hawaii Association for the Education of Young Children, and the Good Beginnings Alliance testified in support of this measure. DHS and the Department of Education supported the intent of this measure. The Attorney General submitted comments.

Your Committees have amended this bill by:

- (1) Changing the appropriation to \$1 to facilitate 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 S.B. No. 1584, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1584, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Shimabukuro, Takai, Takumi and Finnegan.

SCRep. 1151 Energy and Environmental Protection on S.B. No. 855

The purpose of this bill is to encourage the use of renewable energy systems and reduce the State's reliance on fossil fuel by:

- (1) Indefinitely extending the Energy Conservation Income Tax Credit (Tax Credit) provided in section 235-12, Hawaii Revised Statutes (HRS);
- (2) Repealing the Tax Credit for heat pumps and ice storage systems; and
- (3) Directing the Tax Review Commission to review the renewable energy tax credits provided in section 235-12, HRS, every five years beginning July 1, 2010.

The Department of Business, Economic Development, and Tourism, R & R Services, Inc., Hawaii Solar Energy Association, Inter-Island Solar Supply, Powerlight Solar Electric Systems, Hawaiian Electric Company, Gas Company, Life of the Land, Sierra Club - Hawaii Chapter, Hawaii Renewable Energy Alliance, Energy Efficiency Policy Task Force (Task Force), and a concerned individual supported this measure. The Chamber of Commerce of Hawaii supported the intent of this measure. The Department of Taxation, Tax Foundation of Hawaii, and a concerned individual submitted comments.

The Chair wishes to highlight the informative analysis of Dr. Thomas A. Loudat, Ph.D., an economist who has investigated tax credit issues for the past five years and served as a consultant for the Task Force. Dr. Loudat's analysis concludes that the energy tax credit, unlike many other tax credits, has been fiscally positive for the state. By investing in renewable energy, the energy tax credits allow residents and businesses to invest dollars on local goods and services that would have otherwise gone out of state to buy imported oil. Each dollar that is not spent on imported fuel and is instead spent on goods and services in Hawaii multiplies as it encourages additional spending throughout the economy. This "multiplier effect" results in increased tax revenues for the state. Furthermore, all economic classes benefit from the tax credits. His evaluation of 1999 Department of Taxation data shows that lower-income filers account for a larger percentage of energy credit claims than upper-income filers. The greatest share of tax credits were claimed by middle-income filers.

Dr. Loudat also offered analysis on the potential negative consequences of placing caps on the allowable credit for large renewable systems. There is a risk that caps may stymie development or discourage businesses from investing in these systems, further forestalling the state's goal of achieving energy self-sufficiency. Although Dr. Loudat acknowledged the short term fiscal risk to the state from a multi-million dollar tax credit, he emphasized that over the long term, there is no fiscal risk. In fact, he estimates that the rate of return for the State on a \$2.45 million dollar tax credit is approximately eight percent, fifty percent higher than the current rate on thirty-year Treasury bonds. He advised the Committee that by installing a system in a single phase rather than incrementally, a project may take advantage of economy of scales to incur construction cost savings.

Your Committee has amended this bill by:

- (1) Inserting provisions for a renewable energy technology tax credit to begin for systems installed after June 30, 2003;
- (2) Inserting provisions for energy-efficiency policy review and evaluation; 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 Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 855, S.D. 1, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.B. No. 855, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Bukoski.

SCRep. 1152 Water, Land Use, and Hawaiian Affairs on S.B. No. 1468

The purpose of this bill, as received by your Committee, is to clarify that a parcel of land must be zoned for residential use to qualify for mandatory lease-to-fee conversion.

Kamehameha Schools, Small Landowners Association of Hawaii, Small Landowners of Oahu, and two concerned individuals submitted testimony in support of this bill. The Housing and Community Development Corporation of Hawaii of the Department of Business, Economic Development, and Tourism supported the intent of this measure.

This measure was heard on March 17, 2003, by your Committee, wherein it was announced that the substance of the bill would be replaced with provisions of H.B. No. 1454, H.D. 1, relating to the counties' eminent domain powers, and specifying that the powers shall not be exercised to assist any owner of a residential leasehold in acquiring the leased fee interest appurtenant to the leasehold interest.

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

- (1) Deleting its contents and replacing it with provisions from H.B. No. 1454, H.D. 1, and specifically providing that the powers of eminent domain of the counties cannot be exercised to assist any owner of a residential condominium leasehold in acquiring the leased fee interest appurtenant to the leasehold interest;
- (2) Adding a savings clause that specifically renders null and void any condemnation action that is commenced after the effective date of this measure that is in contravention of this bill;
- (3) Providing a sunset date of June 30, 2013, and reenacting section 46-1.5, Hawaii Revised Statutes, to the form in which it read on the day before this measure was enacted; and
- (4) Making technical, nonsubstantive amendments for purposes of style, clarity, and consistency.

Your Committee acknowledges that this controversial issue is currently before the Honolulu City Council but reasons that a statutory clarification is necessary to overcome the presumed precedent established by the Land Reform Act of 1967, codified as chapter 516, Hawaii Revised Statutes, which is limited to lots as a principal place of residence for one or two families.

As affirmed by the record of votes of the members of your Committee on Water, Land Use, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1468, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1468, S.D. 1, H.D. 1, and be referred to the Committees on Judiciary and Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Evans, Waters and Thielen.

SCRep. 1153 Tourism and Culture on H.R. No. 51

The purpose of this resolution is to request the Legislative Reference Bureau to coordinate with the Department of Accounting and General Services and the Department of Business, Economic Development, and Tourism, to conduct a study on the feasibility of constructing permanent fair grounds in the lower Halawa parking lot of Aloha Stadium.

The Stadium Authority, Hawaii Farm Bureau Federation, and E.K. Fernandez Shows, Inc., supported this measure.

As affirmed by the record of votes of the members of your Committee on Tourism and Culture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 51 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Abinsay, Herkes and Marumoto.

SCRep. 1154 Tourism and Culture on H.C.R. No. 48

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to coordinate with the Department of Accounting and General Services and the Department of Business, Economic Development, and Tourism, to conduct a study on the feasibility of constructing permanent fair grounds in the lower Halawa parking lot of Aloha Stadium.

The Stadium Authority, Hawaii Farm Bureau Federation, and E.K. Fernandez Shows, Inc., supported this measure.

As affirmed by the record of votes of the members of your Committee on Tourism and Culture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 48 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Abinsay, Herkes and Marumoto.

SCRep. 1155 Tourism and Culture on H.R. No. 84

The purpose of this resolution is to explore alternative initiatives for tourism in Hawaii by:

- (1) Requesting the Hawaii Tourism Authority (HTA) to expand the scope of its marketing efforts to include the promotion of techno, educational, and cultural tourism-based activities as well as alternative accommodations which represent potential niche industries for Hawaii's tourism-based economy; and
- (2) Establishing the Alternative Accommodations and Educational and Cultural Tourism Task Force to study various aspects of alternative accommodations and educational and cultural tourism.

The Department of Business, Economic Development, and Tourism and HTA supported the intent of this measure. The Hawaii Hotel Association opposed this measure.

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

Signed by all members of the Committee except Representatives Abinsay, Herkes and Marumoto.

SCRep. 1156 Tourism and Culture on H.C.R. No. 84

The purpose of this concurrent resolution is to explore alternative initiatives for tourism in Hawaii by:

- (1) Requesting the Hawaii Tourism Authority (HTA) to expand the scope of its marketing efforts to include the promotion of techno, educational, and cultural tourism-based activities as well as alternative accommodations which represent potential niche industries for Hawaii's tourism-based economy; and
- (2) Establishing the Alternative Accommodations and Educational and Cultural Tourism Task Force to study various aspects of alternative accommodations and educational and cultural tourism.

The Department of Business, Economic Development, and Tourism and HTA supported the intent of this measure. The Hawaii Hotel Association opposed this measure.

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

Signed by all members of the Committee except Representatives Abinsay, Herkes and Marumoto.

SCRep. 1157 Tourism and Culture on H.C.R. No. 64

The purpose of this concurrent resolution is to encourage Hawaii's hotels to provide email and Internet access to their guests.

The Hawaii Hotel Association supported this measure.

As affirmed by the record of votes of the members of your Committee on Tourism and Culture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 64 and recommends its adoption.

Signed by all members of the Committee except Representatives Herkes, B. Oshiro and Jernigan.

SCRep. 1158 Energy and Environmental Protection/Agriculture on S.B. No. 554

The purpose of this bill is to promote and support research and the training of snake detector dogs by allowing the Department of Agriculture (DOA) to import four live, sterile, male brown tree snakes into the State.

DOA, Nature Conservancy of Hawaii, Hawaii Pest Control Association, Coordinating Group on Alien Pest Species, and the Invasive Species Committee of each island supported this bill.

Your Committees find that snake detector dogs require regular training on scents--whether for plants, narcotics, explosives, or snakes--to retain heightened awareness and to maintain their effectiveness. The brown tree snake that was used by DOA to train the dogs has since died, and it has taken DOA more than a year to receive a new snake. This bill will help ensure that DOA has a snake readily available for training when needed.

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 S.B. No. 554 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Waters, Evans, Thielen, Herkes, Karamatsu and Schatz.

SCRep. 1159 Labor and Public Employment on H.C.R. No. 97

The purpose of this concurrent resolution is to direct the Employees' Retirement System (ERS) to conduct a study on the feasibility of a hybrid contributory plan.

Supportive testimony was submitted by the ERS. Testimony in opposition was submitted by the Department of Budget and Finance.

Your Committee finds that there is significant interest in the development of a hybrid contributory plan for public employees. Your Committee further finds that the development of such a plan could enhance public sector benefits, thereby creating a significant recruitment and retention tool.

Your Committee, however, realizes that there are many questions that must be resolved before the ERS can implement a hybrid contributory plan. Accordingly, after consulting with the Administrator of the ERS, your Committee has amended this measure by including language regarding the legislative intent behind its request for the ERS study, and directing the ERS to address specific issues in its study.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 97, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 97, H.D. 1.

Signed by all members of the Committee except Representatives Takamine, Karamatsu, Waters, Meyer and Moses.

SCRep. 1160 International Affairs on H.R. No. 64

The purpose of this resolution is to request:

- (1) The Governor to prepare a report documenting the impact of the Compact of Free Association (Compact) on Hawaii; and
- (2) Hawaii's Congressional delegation to introduce legislation in Congress calling for:
 - (A) Further review of the migration of people from the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau; and
 - (B) Increased aid for the education and social impact of the Compact, and any newly negotiated Compact on Hawaii.

The Hawaii Government Employees Association testified in support of this measure. The Department of Human Services supported the intent of this measure.

Many residents of the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau will continue to migrate to Hawaii because of the Compacts with the United States. Your Committee believes that Congress should review this migration issue and increase the amount of federal aid to Hawaii to cover the Compact's educational and social impact on Hawaii.

Your Committee has amended this resolution by:

- (1) Providing that the Secretary of the Interior of the United States also receive a certified copy of this resolution; 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 International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 64, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 64, H.D. 1.

Signed by all members of the Committee except Representatives Takai, Kahikina, Finnegan and Stonebraker.

SCRep. 1161 International Affairs on H.C.R. No. 62

The purpose of this concurrent resolution is to request:

- (1) The Governor to prepare a report documenting the impact of the Compact of Free Association (Compact) on Hawaii; and
- (2) Hawaii's Congressional delegation to introduce legislation in Congress calling for:

- (A) Further review of the migration of people from the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau; and
- (B) Increased aid for the education and social impact of the Compact, and any newly negotiated Compact on Hawaii.

The Hawaii Government Employees Association testified in support of this measure. The Department of Human Services supported the intent of this measure.

Many residents of the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau will continue to migrate to Hawaii because of the Compacts with the United States. Your Committee believes that Congress should review this migration issue and increase the amount of federal aid to Hawaii to cover the Compact's educational and social impact on Hawaii.

Your Committee has amended this concurrent resolution by:

- (1) Providing that the Secretary of the Interior of the United States also receive a certified copy of this concurrent resolution; 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 International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 62, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 62, H.D. 1.

Signed by all members of the Committee except Representatives Takai, Kahikina, Finnegan and Stonebraker.

SCRep. 1162 Consumer Protection and Commerce on S.B. No. 394

The purpose of this bill is to:

- (1) Extend, to December 31, 2007, the law that allows associations of apartment owners (AOAOs) to assess the purchaser of a condominium unit for unpaid common expenses attributable to that unit; and
- (2) Eliminate the prerequisite of the filing of a lien against the delinquent unit and condition the assessment of unpaid common expenses on provision of a notice of unpaid assessments.

Testimony in support of this measure was submitted by Hawaii Independent Condominium and Cooperative Owners, Hawaii Council of Associations of Apartment Owners, Hawaii Bankers Association, Hawaii Financial Services Association, and Community Associations Institute. The Mortgage Bankers Association testified in support of the intent of this bill and requested amendments.

Your Committee finds that AOAOs and mortgage lenders have made progress in resolving disputes regarding recovery of delinquent maintenance fees left outstanding due to foreclosure of the delinquent unit. Resolution began with the passing of Act 39, Session Laws of Hawaii 2000 (Act 39), which allowed a condominium association to collect up to six months of maintenance fees, to a maximum of \$1,800, in the foreclosure of an apartment.

Your Committee believes that time and expenses will be saved by eliminating the requirement in Act 39 that the AOAO record the notice of lien, and by instead requiring only a notice of assessments owed.

Your Committee has amended this measure to reflect the language of H.B. No. 1339, H.D.1. The bill now provides that the mortgagee may require the AOAO to provide at no charge, a notice of the AOAO's intent to claim a lien. Furthermore, this bill no longer requires that the notice include a listing of the month or months of unpaid assessments.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 394, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 394, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Herkes, Ito, Kanoho, M. Oshiro and Souki.

SCRep. 1163 Labor and Public Employment on S.B. No. 687

The purpose of this bill, as received by your Committee, is to clarify laws pertaining to leaves of absences for public employees by:

- (1) Implementing an Internal Revenue Service (IRS) approved special pay plan for all eligible employees of the State and county which will not enhance or diminish existing special pay benefits; and
- (2) Allowing employees under the age of 55 who elect early withdrawal from the special pay plan within 60 days of the effective date of separation from service to be reimbursed by the employer the difference between the Federal Insurance Contribution Act (FICA) and any Medicare tax savings to the employee and any early withdrawal penalty imposed by the IRS.

For purposes of facilitating discussion, your Committee solicited a proposed H.D. 1 for public review and comment. As proposed, S.B. No. 687, H.D. 1, would:

- (1) Implement an IRS approved special pay plan for all eligible employees of the State and counties that would not enhance or diminish existing special pay benefits;
- (2) Allow employees under the age of 55 who elect early withdrawal from the special pay plan within 60 days of the effective date of separation from service to be reimbursed by the employer the difference between the Federal Insurance Contribution Act (FICA) and any Medicare tax savings to the employee and any early withdrawal penalty imposed by the Internal Revenue Service; and
- (3) Reenact the leaves of absence law relating to the pay of officers and employees on active military service.

AIG VALIC testified in support of this measure. The Hawaii Government Employees Association, Local 152 supported the intent of the proposed draft. The Department of Human Resources Development opposed the proposed draft.

Your Committee finds that establishing special pay retirement plans established under section 401(a) of the Internal Revenue Code (IRC) could result in significant savings for the State and its employees and therefore, warrants further consideration.

With respect to military leave, your Committee finds that, under existing statutes, if a public employee takes a leave of absence when called to serve our State and country, the public employee is subject to loss of service credits which, in turn, could affect that employee's retirement benefits.

With the war with Iraq, your Committee finds that the reenactment of the military leaves of absence law will ensure that those public employees called to serve their country will not lose service credits while on active duty.

After careful consideration, your Committee has amended this measure by deleting the substance of S.B. No. 687, S.D. 1, and inserting the provisions of the proposed S.B. No. 687, H.D. 1. Your Committee has further amended this bill by:

- (1) Authorizing, rather than requiring, the State to pay out an employee's vacation allowance upon termination of employment into a qualified retirement plan;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 687, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 687, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.
Representative Blundell voted no.

SCRep. 1164 Water, Land Use, and Hawaiian Affairs on H.C.R. No. 196

The purpose of this concurrent resolution is to establish a temporary Bioprospecting Advisory Commission (Commission) to develop a comprehensive plan for the preservation and use of the biological diversity and resources of the trust lands.

The Office of Hawaiian Affairs, Oahu Council, 'Ilio'ulaokalani Coalition, and two concerned citizens submitted testimony in support of this concurrent resolution. Three concerned individuals submitted testimony supporting the intent of this measure with amendments. A concerned citizen submitted comments on this concurrent resolution.

Your Committee finds that the stewardship of Hawaii's biodiversity resources has been neglected. Agreements between the state and private entities that impact one of Hawaii's most valuable resources must undergo closer scrutiny, such as the June 2002, bioprospecting agreement between the University of Hawaii's Marine Bioproducts Engineering Center (MarBEC) and Diversa Corporation (Diversa), which allegedly grants Diversa an exclusive right to genes discovered from existing material collections and from environmental samples collected by MarBEC researchers in and around Hawaii.

Your Committee has amended this concurrent resolution by:

- (1) Changing its title to read:
"ESTABLISHING A TEMPORARY BIOPROSPECTING ADVISORY COMMISSION TO DEVELOP A COMPREHENSIVE PLAN FOR THE PRESERVATION AND USE OF THE BIOLOGICAL DIVERSITY AND BIOLOGICAL RESOURCES OF PUBLIC LANDS."
- (2) Clarifying that the scope of the biodiversity resources covers public lands as defined in section 171-2, Hawaii Revised Statutes;
- (3) Expanding the scope of the Commission to include:
 - (A) Whether land held by the University of Hawaii, which is presently excluded from the definition of public lands, should be deemed public lands for the purposes of this measure; and
 - (B) Agreements entered into between state and county agencies and private entities relating to bioprospecting, including the MarBEC and Diversa agreement;

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

As affirmed by the record of votes of the members of your Committee on Water, Land Use, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 196, as amended herein, and recommends that it be referred to the Committee on Higher Education, in the form attached hereto as H.C.R. No. 196, H.D. 1.

Signed by all members of the Committee.

SCRep. 1165 Tourism and Culture on H.R. No. 79

The purpose of this resolution is to honor and recognize the historical accomplishments of Congresswoman Patsy T. Mink by requesting the State Foundation on Culture and the Arts (SFCA) to commission a painted portrait in her honor.

The Hawaii State Commission on the Status of Women, National Association of Social Workers Hawaii Chapter, and Community Alliance on Prisons supported this measure. SFCA offered comments.

Your Committee has amended this resolution by:

- (1) Clarifying that SFCA is urged to commission a painted portrait in honor of Congresswoman Patsy T. Mink; and

- (2) Establishing that the portrait be funded by the Works of Art Special Fund.

As affirmed by the record of votes of the members of your Committee on Tourism and Culture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 79, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 79, H.D. 1.

Signed by all members of the Committee except Representatives Schatz and Ontai.

SCRep. 1166 Labor and Public Employment on H.C.R. No. 92

The purpose of this concurrent resolution is to request the Department of Labor and Industrial Relations (DLIR), in conjunction with Hawaii's health plans, to explore options for providing medical savings accounts (MSAs) and high deductible health plans to Hawaii's businesses under Hawaii's Prepaid Health Care Act (PHCA).

The National Federation of Independent Business-Hawaii and Legislative Information Services of Hawaii testified in support of this measure. The Hawaii Medical Association, Hawaii Medical Service Association, and Kaiser Permanente supported the intent of this measure. DLIR opposed this measure.

Your Committee finds that health care costs in Hawaii have been steadily increasing. These increased costs have had a major impact upon businesses, especially small businesses. By allowing individuals to have more options such as MSAs and high deductible plans for their health care coverage needs, your Committee finds that health care costs may be contained. However, your Committee has concerns regarding the effect MSAs may have on the current exemption from the Employee Retirement Income Securities Act (ERISA) of PHCA despite assurances received from the Attorney General and the United States Department of Labor that MSAs would not jeopardize Hawaii's ERISA exemption. Loss of this exemption could jeopardize the health care of thousands of Hawaii residents.

Your Committee respectfully requests that, in its final report of its findings and recommendations, DLIR submit to your Committee on Labor and Public Employment, the opinion it received from the Attorney General on MSAs and their effect on PHCA.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 92 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1167 Labor and Public Employment on H.C.R. No. 93

The purpose of this concurrent resolution is to request the Legislative Auditor (Auditor) to conduct a social and financial analysis of the impact medical savings accounts (MSAs) would have on the Prepaid Health Care Act (PHCA).

The National Federation of Independent Business-Hawaii and Legislative Information Services of Hawaii testified in support of this measure. The Hawaii Medical Association, Hawaii Medical Service Association, and Kaiser Permanente supported the intent of this measure. Department of Labor and Industrial Relations and the Department of Commerce and Consumer Affairs opposed this measure.

Your Committee finds that health care costs in Hawaii have been steadily increasing. These increased costs have had a major impact upon businesses, especially small businesses. By allowing individuals to have more options such as MSAs and high deductible plans for their health care coverage needs, your Committee finds that health care costs may be contained. However, your Committee has concerns regarding the effect MSAs may have on the current exemption from the Employee Retirement Income Securities Act (ERISA) of PHCA since loss of this exemption could jeopardize the health care of thousands of Hawaii residents.

Your Committee notes that, pursuant to section 23-51, Hawaii Revised Statutes, before any legislative measure mandating health insurance coverage for specific health services, specific diseases, or certain providers of health care services as part of individual or group health insurance policies can be considered, the Legislature must pass a concurrent resolution requesting the Auditor to prepare and submit a report to the Legislature on the social and financial effects of the proposed mandated coverage.

Your Committee respectfully requests that the Auditor request an opinion from the Attorney General as to the impact MSAs may have on PHCA and include that opinion as part of its final report of its findings and recommendations to the Legislature.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 93 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1168 Labor and Public Employment on H.C.R. No. 95

The purpose of this concurrent resolution is to request the Employees' Retirement System (ERS) to study the feasibility of a deferred retirement option plan (DROP) benefit plan for fire fighters and police officers.

Supportive testimony was submitted by the City and County of Honolulu Police Department; the Hawaii Fire Fighters Association; and State of Hawaii Organization of Police Officers. Comments were received from the ERS, which requested an appropriation of \$23,500 out of its investment monies to conduct the proposed study.

Your Committee has learned that DROP benefits are being utilized by an increasing number of states and municipalities. The DROP allows members to defer pension benefits for which they are eligible into an account separate from contributions made by the member based on earlier years of service. Your Committee finds that DROP benefits may assist in the retention of fire fighters and police officers, by providing an incentive to stay beyond the requisite twenty-five years of service. In light of the difficulty recruiting for such positions, and the essential jobs they perform, your Committee finds it prudent to explore options that may improve retention and aid in recruitment.

While testimony submitted by the ERS indicated they would need to draw funds from their investment monies in order to conduct the requested study, your Committee finds that this issue is more appropriately referred to the Committee on Finance.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 95 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1169 Labor and Public Employment on H.C.R. No. 109

The purpose of this concurrent resolution is to request that the Employees' Retirement System (ERS) engage in socially responsible investment (SRI) by:

- (1) Reviewing its investment practices;
- (2) Determining whether any investments are being made with companies based in countries that support terrorism; and
- (3) Directing the ERS to rethink investment policies regarding companies based in countries that support terrorism.

Comments were received from the ERS.

In the 1980s, anti-apartheid activists brought the idea of SRI to the forefront of the public consciousness by insisting that organizations refrain from investing in companies that did business in or with South Africa. Your Committee finds that in response to the events of September 11, 2001 and other terrorist activity, engaging in SRI, where investment decisions are based, in part, on social values, as well as on financial returns is necessary once more.

Your Committee believes that the State must revisit its investment policies and practices to avoid contributing to the economies of those countries that participate in acts of terrorism, either directly through funding or indirectly through their support of terrorist groups.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 109 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1170 Labor and Public Employment on H.C.R. No. 94

The purpose of this concurrent resolution is to request that the State Auditor, in conjunction with the Department of Health and the Employees' Retirement System, conduct a study to determine the effects of allowing emergency medical technicians to retire after twenty-five years of service.

For purposes of facilitating discussion, your Committee solicited a proposed House Draft 1 for public review and comment.

As proposed, House Concurrent Resolution 94, House Draft 1:

- (1) Amends the title of the concurrent resolution to read:

"HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT TO SUBMIT REPORTS ON EXEMPT EMPLOYEES AS REQUIRED BY ACT 253, SESSION LAWS OF HAWAII 2000";

- (2) Requests that the Department of Human Resources Development (DHRD) submit reports on exempt employees as required by Act 253, Session Laws of Hawaii (SLH) 2000; and
- (3) Requests your Committee hold interim briefings on the existing statutory exemptions from civil service and to determine whether these exemptions should be continued or repealed and the process by which exempt employees should be converted to civil service if the exemption is no longer justified.

Supportive testimony was submitted by: DHRD; HGEA-AFSCME, Local 152; and concerned citizens.

Your Committee finds that one of the many objectives of Act 253, SLH 2000, was to clarify the process by which DHRD determines the positions that are exempt from the civil service. To that end, Act 253, SLH 2000, required DHRD to submit an annual report to the legislature on positions that were permanently exempted from the civil service prior to the enactment of Act 253.

Your Committee finds that there are important public policy issues related to the evaluation of current exemptions from civil service especially considering the differences in certain employment rights and benefits. Your Committee finds further that delays in converting exempt positions that are more appropriately included in the civil service system potentially places exempt employees at a disadvantage in seeking permanent positions and promotional opportunities notwithstanding years of excellent service.

After careful consideration, your Committee has amended this measure by deleting the substance of House Concurrent Resolution 94, and inserting the provisions of proposed House Draft 1. In addition, your Committee has made technical, non-substantive amendments for purposes of clarity, style, and conformity.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 94, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 94, H.D. 1.

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

SCRep. 1171 Labor and Public Employment on H.C.R. No. 182

The purpose of this concurrent resolution is to request a study to address the following issues relating to refuse collection workers:

- (1) Occupational safety and health risks, if any, to garbage collection workers; and
- (2) Comparison of occupational risks associated with refuse collection workers with those associated with fire fighters, police officers, investigators and water safety officers under section 88-74, Hawaii Revised Statutes.

Supportive testimony was submitted by the United Public Workers, AFSCME, Local 646, AFL-CIO and concerned refuse collection workers. The Department of Health supported the intent of the concurrent resolution, but noted some reservations. Testimony in opposition was submitted by the Department of Labor and Industrial Relations (DLIR).

Your Committee is concerned that refuse collection workers may be exposed, because of the nature of their work, to hazardous material that could pose a risk to their health and safety. Accordingly, your Committee believes that a study should be conducted to assess the occupational health and safety risks, if any, associated with refuse collection.

For the purpose of clarification, your Committee has amended this measure by:

- (1) Changing the term "garbage" to "refuse" in the title of the measure. As amended, the concurrent resolution is entitled:

"HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENTS OF LABOR AND INDUSTRIAL RELATIONS AND HEALTH TO CONDUCT A STUDY RELATING TO THE OCCUPATIONAL AND HEALTH RISKS OF COUNTY REFUSE COLLECTION WORKERS";

- (2) Changing the term "garbage" to "refuse" as it appears in the body of the measure; and
- (3) Making technical, non-substantive amendments for purposes of clarity, style, and conformity.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 182, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 182, H.D. 1.

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

SCRep. 1172 Consumer Protection and Commerce on H.R. No. 103

The purpose of this resolution is to establish a Wireless Enhanced 911 Working Group (Working Group) to propose an ongoing source of funding to support enhanced 911 service.

Testimony in support of this resolution was received from T-Mobile, Verizon Wireless, and AT&T Wireless.

Your Committee finds that an enhanced 911 service allows the routing of a 911 call to the appropriate public safety answering point along with a display of the caller's identification and location, and should be available to all users of telecommunication services. Your Committee further finds that it is in the public interest to support enhanced 911 service and to create a cost recovery process for counties and wireless carriers that invest in the new technology.

This resolution proposes that a Working Group consisting of representatives of this new technology be established to:

- (1) Determine the level of funding necessary to support new wireless identification and location services that comply with the rules of the Federal Communication Commission for the transmission of 911 calls from wireless carriers to enhanced emergency communications systems;
- (2) Recommend a wireless subscriber surcharge to provide funding for county provision of wireless enhanced 911 services;
- (3) Develop the means by which carriers will recover costs of providing emergency enhanced 911 services; and
- (4) Submit a report of its findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 2004.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 103 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Caldwell, Chang, Kanoho and Thielen.

SCRep. 1173 Consumer Protection and Commerce on H.C.R. No. 120

The purpose of this concurrent resolution is to establish a Wireless Enhanced 911 Working Group (Working Group) to propose an ongoing source of funding to support enhanced 911 service.

Testimony in support of this concurrent resolution was received from T-Mobile, Verizon Wireless, and AT&T Wireless.

Your Committee finds that an enhanced 911 service allows the routing of a 911 call to the appropriate public safety answering point along with a display of the caller's identification and location, and should be available to all users of telecommunication services. Your Committee further finds that it is in the public interest to support enhanced 911 service and to create a cost recovery process for counties and wireless carriers that invest in the new technology.

This concurrent resolution proposes that a Working Group consisting of representatives of this new technology be established to:

- (1) Determine the level of funding necessary to support new wireless identification and location services that comply with the rules of the Federal Communication Commission for the transmission of 911 calls from wireless carriers to enhanced emergency communications systems;
- (2) Recommend a wireless subscriber surcharge to provide funding for county provision of wireless enhanced 911 services;

- (3) Develop the means by which carriers will recover costs of providing emergency enhanced 911 services; and
- (4) Submit a report of its findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 2004.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 120 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Caldwell, Chang, Kanoho, Thielen, Takamine, Karamatsu, Bukoski, Meyer, Moses, Takamine, Karamatsu, Waters, Meyer and Moses.

SCRep. 1174 Consumer Protection and Commerce on H.R. No. 153

The purpose of this resolution is to request the Department of Commerce and Consumer Affairs (DCCA) to allow on-line courses from accredited institutions to count toward satisfying the State's real estate appraiser certification and licensing requirements.

DCCA commented on this resolution.

Your Committee finds that currently, on-line courses will not satisfy the educational requirement for licensure of real estate appraisers, since rules adopted by DCCA require that the applicant demonstrate a certain number of "classroom hours," and specifically exclude correspondence courses and video or remote television offerings.

Your Committee finds that the rules exclude these types of courses because the Appraisal Qualifications Board (AQB) of the Appraisal Foundation, the federal agency that oversees state licensing of real estate appraisers, did not provide sufficient guidance or direction that would have allowed DCCA to recognize these courses in its rules. However, AQB's updated interpretations of real property appraiser qualification criteria now provide that guidance and permit DCCA to amend its rules to recognize on-line courses.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 153 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Caldwell, Chang, Kanoho, M. Oshiro and Thielen.

SCRep. 1175 Consumer Protection and Commerce on H.C.R. No. 189

The purpose of this concurrent resolution is to request the Department of Commerce and Consumer Affairs (DCCA) to allow on-line courses from accredited institutions to count toward satisfying the State's real estate appraiser certification and licensing requirements.

DCCA commented on this concurrent resolution.

Your Committee finds that currently, on-line courses will not satisfy the educational requirement for licensure of real estate appraisers, since rules adopted by DCCA require that the applicant demonstrate a certain number of "classroom hours," and specifically exclude correspondence courses and video or remote television offerings.

Your Committee finds that the rules exclude these types of courses because the Appraisal Qualifications Board (AQB) of the Appraisal Foundation, the federal agency that oversees state licensing of real estate appraisers, did not provide sufficient guidance or direction that would have allowed DCCA to recognize these courses in its rules. However, AQB's updated interpretations of real property appraiser qualification criteria now provide that guidance and permit DCCA to amend its rules to recognize on-line courses.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 189 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Caldwell, Chang, Kanoho, M. Oshiro and Thielen.

SCRep. 1176 Consumer Protection and Commerce on H.C.R. No. 122

The purpose of this concurrent resolution is to request the Auditor to determine whether state regulation of professions and vocations is necessary to further the policies justifying such regulation as set forth in section 26H-2, Hawaii Revised Statutes, by:

- (1) Comparing the licensing requirements of the Department of Commerce and Consumer Affairs (DCCA) and its boards and commissions with those of other states, including educational, testing, experience, and other regulatory prerequisites for entry into a regulated profession;
- (2) Determining national licensing norms, and identifying those of Hawaii's regulatory requirements that are more stringent than needed to protect the health, safety, and welfare of consumers; and
- (3) Reporting findings, recommendations, and proposed legislation to the Legislature:
 - (a) Concerning licensing programs implemented by the 25 boards and commissions administratively attached to DCCA, no later than 20 days before the convening of the Regular Session of 2004; and
 - (b) Concerning licensing regulation under the 21 regulatory programs implemented by DCCA, no later than 20 days before the convening of the Regular Session of 2005.

Testimony in support of this concurrent resolution was received from DCCA and the Hawaii Association of Realtors.

Your Committee finds that some of DCCA's professional and vocational licensing programs have been criticized as being unnecessary, counterproductive, or protective of regulated business interests over those of the consuming public. Your Committee

further finds that a comparison of Hawaii's licensing regulations with those of other states would be productive for DCCA as well as for the Legislature in determining whether changes in licensing regulations are merited.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 122 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Caldwell, Chang, Ito, Kanoho, M. Oshiro and Thielen.

SCRep. 1177 Transportation/Water, Land Use, and Hawaiian Affairs on H.C.R. No. 68

The purpose of this concurrent resolution is to request the Board of Land and Natural Resources (BLNR) to consider the leasing of unutilized fast and submerged lands at Keehi Lagoon for the private development of boating and ocean recreational facilities.

The Department of Land and Natural Resources (DLNR) testified in support of this measure. The Hawaii Boaters Political Action Association, Ala Wai Marina Board, and a concerned citizen testified in opposition to this measure.

Over the last 20 years, there has been increased demands for harbor and moorage space in small boat harbors throughout the State. Your Committees find that the long and costly process of obtaining necessary county, state, and federal permits and approvals before authorizing the lease for lands has made it difficult for prospective developers to obtain financing for their projects. The development and improvement of unused and unimproved areas of Keehi Lagoon will help to alleviate these demands, as well as generate lease rent revenues to the State.

However, your Committees understand the need to proceed with caution before commitments to long-term leases are made and that all parties who may be affected by these lease agreements should be considered prior to lease approval. Your Committees are also cognizant of the fact that some submerged lands may include ceded lands and that the Office of Hawaiian Affairs should be included as one of the stakeholders in Keehi Lagoon.

Accordingly, your Committees have amended this measure by:

- (1) Requesting BLNR to explore, rather than consider the leasing of unutilized fast and submerged lands at Keehi Lagoon for the private development of boating and ocean recreational facilities;
- (2) Including OHA as a stakeholder in Keehi Lagoon;
- (3) Requiring that DLNR not use this concurrent resolution as a means to satisfy the requirements under section 171-53(c), Hawaii Revised Statutes, that allows for the adoption of a concurrent resolution to serve as legislative approval for the leasing of state submerged lands and lands beneath tidal waters; and
- (4) 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 Transportation and Water, Land Use, and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 68, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 68, H.D. 1.

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

SCRep. 1178 Transportation/Water, Land Use, and Hawaiian Affairs on H.C.R. No. 197

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources (DLNR), in conjunction with the City and County of Honolulu (City), to determine the feasibility of constructing a multi-use path along the Waianae coast from Maili Beach Park to Makaha surfing beach.

Several concerned citizens testified in support of this measure. DLNR opposed this measure.

Your Committees find that multi-use pathways have become important assets to communities around the State. Pathway systems have been shown to improve the health of a community, reduce traffic congestion, and serve as a safe and fun environment for residents to enjoy. Multi-use pathways have also increased revenues for businesses operating in the area of these pathways.

Currently, the Waianae coast does not have pathways for people to use, causing individuals to have to run, walk, and bike along the shoulder of Farrington Highway, which has resulted in a number of injuries.

Although your Committees understand the need for multi-use pathways along the Waianae coast and that a feasibility study would be a step forward in improving the Waianae community, most of the land and shoreline along the Waianae coast is under the jurisdiction and responsibility of the City and County (C&C) of Honolulu.

Accordingly, your Committees have amended this concurrent resolution by:

- (1) Changing the title to read: "REQUESTING THE CITY AND COUNTY OF HONOLULU TO DETERMINE THE FEASIBILITY OF CONSTRUCTING A MULTI-USE PATH ALONG THE WAIANAE COAST FROM MAILI BEACH PARK TO MAKAHA SURFING BEACH";
- (2) Clarifying that the C&C, rather than DLNR, determine the feasibility of constructing a multi-use path along the Waianae Coast from Maili Beach Park to Makaha surfing beach;
- (3) Clarifying that the C&C consult with state departments, such as the Department of Transportation, as necessary, to complete this feasibility study; and
- (4) Requesting that the C&C submit its report and findings, including any necessary legislation, to the Legislature no later than 20 days prior to the convening of the Regular Session of 2004.

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

As affirmed by the records of votes of the members of your Committees on Transportation and Water, Land Use, and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 197, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 197, H.D. 1.

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

SCRep. 1179 Health on H.C.R. No. 100

The purpose of this concurrent resolution is to obtain additional resources to address the problem of drug and substance abuse in Hawaii by:

- (1) Requesting Hawaii's Congressional delegation to make every effort to obtain increased federal funding for drug treatment programs; and
- (2) Specifying that the Department of Health (DOH) seek public and private grants and programs to deal with Hawaii's substance abuse problems.

The Department of Public Safety, Hawaii Youth Services Network, and Community Alliance on Prisons supported this measure. DOH and the Judiciary supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 100 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kahikina, Takai, Takumi and Stonebraker.

SCRep. 1180 Labor and Public Employment on H.C.R. No. 43

The purpose of this concurrent resolution is to request the Department of Labor and Industrial Relations (DLIR) and Hawaii's health plan carriers to explore options for redesigning the benefit levels of "A" status plans defined under Hawaii's Prepaid Health Care Act (PHCA).

The National Federation of Independent Business and Hawaii Medical Service Association testified in support of this measure. Kaiser Permanente testified in support of the intent of this measure. DLIR opposed this measure.

PHCA is a unique program that has made Hawaii one of the most successful states in ensuring that its citizens have health insurance. However, the age of PHCA and its numerous mandated benefits have made it difficult for businesses, especially small businesses, to continue to provide health insurance for its employees. Although the intent of PHCA was for employers and employees to share the costs of health care, a cap on the maximum employee contribution of 1.5 percent of the employee's gross income, combined with the exponentially increasing costs of health care, has caused employers to bear most of the costs of providing health insurance. Moreover, fears over the loss of the exemption from the Employee Retirement Income Securities Act currently enjoyed by Hawaii have made amending PHCA difficult, if not impossible.

Your Committee recognizes that something must be done to make PHCA fair to all parties involved and that the exploration of options for redesigning the benefit levels of "A" status plans as defined under PHCA is a step in the right direction. However, your Committee is also cognizant of the concerns raised by DLIR regarding the determination of "A" status plans and whether its Director has the authority to make such a determination. Accordingly, although recommending adoption of this measure for further discussion, your Committee respectfully requests the Director of Labor and Industrial Relations to obtain a legal opinion and interpretation of the law regarding the determination of the benefit level of plans and submit these opinions to members of your Committee on Labor and Public Employment.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 43 and recommends its adoption.

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

SCRep. 1181 Consumer Protection and Commerce on H.C.R. No. 58

The purpose of this concurrent resolution is to request the Auditor to perform a sunrise review of the regulation of condominium association managers as provided in H.B. No. 642, 2003.

Testimony in support of this concurrent resolution was received from several concerned individuals.

Your Committee finds that condominium association managers have no certification requirements for their positions and may know little about the laws that regulate condominiums. H.B. No. 642, 2003, would have mandated that all condominium association managers be certified, and also sets forth requirements for certification.

Chapter 26H, Hawaii Revised Statutes (HRS), however, provides that measures subjecting professions or occupations to regulation by the government must undergo a preliminary sunrise review by the Auditor. The purpose of the review is to determine whether regulation and licensing of the profession or vocation is reasonably necessary to protect the health, safety, or welfare of consumers of the services, and whether its primary purpose is the protection of the public welfare rather than that of the regulated profession or vocation.

This concurrent resolution requests the Auditor to perform a sunrise review of H.B. No. 642 and to report findings and recommendations to the Legislature 20 days prior to the convening of the Regular Session of 2004.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 58 and recommends its adoption.

Signed by all members of the Committee except Representatives Herkes, Caldwell, Chang, Kanoho and Thielen.

SCRep. 1182 Transportation on S.B. No. 295

The purpose of this bill is to better regulate the towing industry by:

- (1) Authorizing the counties to enact ordinances to regulate towing operations; and
- (2) Maintaining state regulation of the towing industry if county councils decline to regulate the towing industry.

The Hawaii State Towing Association and Hawaii Insurers Council testified in support of the intent of this measure. The Department of Commerce and Consumer Affairs and Department of Customer Services of the City and County of Honolulu commented on this measure.

Currently, tow rates for nonconsensual tows are set forth by statute. Tows to assist motorists in distress, tows of stalled vehicles, recovery tows, and other consensual tows are not regulated and are considered negotiations between the consumer and the tow operator.

Your Committee understands there are concerns regarding the regulation of the tow industry and the fees that unscrupulous tow operators may charge and agree that increased regulation of fees may be necessary to protect the interests of the public. However, your Committee also feels that another way in which the safety of citizens can be protected from unlicensed or unscrupulous tow operators is through registration and insurance verification, which should be regulated by the counties.

Accordingly, your Committee has amended this measure by deleting its substance and replacing it with language that:

- (1) Requires tow trucks to be registered as commercial tow trucks with the county director of finance;
- (2) Requires the county director of finance to provide special license plates, decals, and registration cards to owners of vehicles registered as commercial tow trucks;
- (3) Requires a registered commercial tow truck to display the special license plates, decals, and registration cards;
- (4) Authorizes the director of finance to establish renewal and processing fees for the registration of a tow truck;
- (5) Increases the fees charged for storage of a towed vehicle from \$15 to \$20 per day or fraction thereof for the first seven days and from \$10 to \$15 per day thereafter; and
- (6) Requires the owner of a towed vehicle to be notified of the location of the towed vehicle within five working days following the tow.

Other technical, nonsubstantive amendments were made for purposes of clarity, consistency, 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 S.B. No. 295, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 295, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Pendleton.

SCRep. 1183 Judiciary on S.B. No. 685

The purpose of this measure is to prohibit inclusion of any person's social security number in the poll book prepared for each voter to sign upon application to vote at the polling place.

A concerned individual testified in support of this measure. The Office of Elections provided comments.

Your Committee finds that identity theft is a serious problem. Voters should not be discouraged from registering to vote out of concern that their social security numbers will be on public display at the polling site.

This measure protects citizens' informational privacy without limiting safeguards designed to assure that each individual who receives a ballot at the polling place is entitled to vote, and votes only once. The entire social security number may continue to be collected as a unique identifier in the voter registration system. Your Committee was informed through testimony from the Office of Elections that collection of the entire nine-digit social security number exempts Hawaii from a federal Help America Vote Act requirement to compare our voter registration file against other databases, such as the social security database.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 685 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 Herkes, Ito, Kanoho, M. Oshiro, Pendleton and Thielen.

SCRep. 1184 Judiciary on S.B. No. 616

The purpose of this bill is to give protection to a person's actual or perceived gender identity or expression under the State's current hate crime laws.

The Hawaii Civil Rights Commission, the Hawaii State Commission on the Status of Women, the Hawaii State Teachers Association, the American Civil Liberties Union of Hawaii, the Gay, Lesbian, Bisexual and Transgendered Caucus of the Democratic Party of Hawaii, the Hawaii Hate Crimes Task Force, Life Foundation, Civil Unions-Civil Rights Movement, PFLAG-Oahu, The Center, the Coordinator of the Lesbian, Gay, Bisexual, Transgender Student Services Office of the University of Hawaii at Manoa, the League of Women Voters, Hawaii Pro-Democracy Initiative and 12 individuals testified in support of the measure. The Office of the Public Defender opposed the bill. The Office of the Attorney General provided comments.

Your Committee finds that "sexual orientation," which is currently included in the hate crimes law, is not the same as "gender identity." Therefore, this measure will protect all individuals from persecution based upon their gender identity, regardless of their sexual orientation.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 616 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 Herkes, Ito, Kanoho, Pendleton and Thielen.

SCRep. 1185 Consumer Protection and Commerce on S.B. No. 1200

The purpose of this bill is to improve Hawaii's captive insurance company law under article 19 of the Insurance Code by:

- (1) Authorizing persons in addition to a captive insurer's president and secretary to act as signatories on the insurer's letter of financial condition;
- (2) Clarifying the applicability of insurer annual requirements and limiting provisions under part III of article 3 of the Insurance Code, to captives; and
- (3) Making other clarifying, housekeeping amendments to the captive insurance company law, including the replacement of existing language with more appropriate insurance terminology.

Testimony in support of this bill was received from the Bank of Hawaii and two attorneys. The Department of Commerce and Consumer Affairs presented comments on this measure.

Your Committee finds that this bill will further enhance Hawaii's attractiveness as a captive insurance company haven by providing greater internal consistency within the State's captive insurance company law.

Your Committee further finds that this bill will expedite reports to the Insurance Commissioner by allowing any two principal officers, or an attorney-in-fact in the case of a captive insurance company formed as a reciprocal insurer, to sign statements or documents required by the Insurance Commissioner. Your Committee notes that captives formed as reciprocal insurers are unincorporated associations without officers that utilize an attorney-in-fact to conduct their operations.

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 S.B. No. 1200, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1200, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Herkes, Ito, Kanoho, M. Oshiro and Souki.

SCRep. 1186 Consumer Protection and Commerce on S.B. No. 1589

The purpose of this bill is to:

- (1) Establish procedures for the termination of all or any class of members, or the redemption or cancellation of all or any class of memberships of a nonprofit corporation;
- (2) Authorize members of a nonprofit corporation, not including members of condominium associations or planned community associations, to resign at any time; and
- (3) Authorize a nonprofit corporation to obligate itself in its bylaws, articles of incorporation, or a board resolution or contract, to indemnify its officers and directors and advance funds for reimbursement of their expenses.

Unity House, Neely & Anderson LLP, and three concerned individuals submitted testimony in support of this bill. The Community Associations Institute opposed section 2 of the bill and requested an amendment.

Your Committee finds that the provisions of this bill that allow members to resign at any time, exclude members of an association of apartment owners established under chapter 514A, Hawaii Revised Statutes (HRS), and members of planned community associations governed by chapter 421J, HRS. These associations rely on their members to share in the payment of association common expenses. Allowing members of these associations to voluntarily resign could lead to litigation between associations and apartment owners who do not wish to pay their fair share of common expenses.

Your Committee has been informed that some very early condominium associations are not governed by chapter 514A, HRS. Instead, they are governed by the original condominium property act, Act 180, Session Laws of Hawaii, 1961, as amended. Your Committee finds that the resignation provisions of this bill should not apply to these condominiums.

Your Committee also finds that this measure allows for only one statement of opposition to be included in the notice to members proposing an articles or bylaws amendment that would terminate all or any class of members, which creates the problem of selecting from among multiple statements of opposition.

Upon consideration, your Committee has amended this measure by:

- (1) Deleting the provision allowing for voluntary member resignation;
- (2) Requiring any number of statements of opposition to be included in the notice proposing an articles or bylaw amendment that would terminate all or any class of members;
- (3) Changing the effective date from July 1, 2003, to upon approval; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1589, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1589, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Herkes, Caldwell, Chang, Ito, M. Oshiro, Stonebraker and Thielen.

SCRep. 1187 Consumer Protection and Commerce on S.B. No. 1630

The purpose of this bill is to clarify that where a nonprofit corporation's officers or board of directors are to be elected by its members, the election may be conducted by mail in accordance with the corporation's bylaws or as provided by the board.

Testimony in support of this bill was submitted by Mililani Town Association and Neeley & Anderson LLP. The Hawaii Council of Associations of Apartment Owners expressed concerns with this measure. A professional registered parliamentarian and another concerned citizen testified in opposition to this bill.

Your Committee notes that the Hawaii Nonprofit Corporations Act, chapter 414D, Hawaii Revised Statutes, does not allow for election by mail unless a corporation's bylaws specifically permit mail balloting. Your Committee is aware of concerns raised by this bill, which would enable directors to act contrary to their corporation's bylaws. However, your Committee finds that for certain large corporations, such as the Mililani Town Association, members are excluded from direct participation in elections because they are unable to vote by mail ballot.

Accordingly, your Committee has amended this bill by clarifying that for planned community associations with more than 2,500 members, elections may be conducted by mail if so determined by the board of directors.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1630, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1630, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Herkes, Ito, Kanoho, Finnegan, Stonebraker and Thielen.

SCRep. 1188 Consumer Protection and Commerce/Judiciary on S.B. No. 1270

The purpose of this bill is to restore the term "threefold" in section 480-14(c), Hawaii Revised Statutes, (HRS), which term:

- (1) Was inadvertently omitted when the section was amended by Act 229, Session Laws of Hawaii 2002; and
- (2) Refers to the damages that may be secured in class actions brought by the State on behalf of direct or indirect purchaser consumers, for injuries caused by violations of the prohibition against unfair methods of competition or unfair or deceptive acts or practices in the conduct of any trade or commerce.

This bill also makes a related technical correction to remove the term "compensatory" from section 480-14(c), HRS.

Testimony in support of this measure was received from the Attorney General (AG).

Your Committees find that section 480-14(c), HRS, was amended in 2002 by Act 229, (Act 229). Act 229 allowed indirect purchasers of a product or service to bring private class actions for price-fixing in violation of the antitrust provisions of chapter 480, HRS. Act 229 also allowed the AG to intervene in, and proceed with the action on behalf of the class. Your Committees find that when Act 229 amended section 480-14(c), HRS, the term "threefold" was inadvertently omitted from the language of the existing statute.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1270, S.D. 1, and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Herkes, Chang, Ito, M. Oshiro, Stonebraker, Pendleton and Thielen.

SCRep. 1189 Health on H.R. No. 128

The purpose of this resolution is to promote efforts to address the serious problem of drug abuse, including the use of crystal methamphetamine (crystal meth), by requesting the Department of Health (DOH) to:

- (1) Launch a renewed public education campaign, with participation from other public and private agencies, to combat the problem of crystal meth; and
- (2) Report to the Legislature on the effectiveness of past public education campaigns in the fight against drug abuse.

Drug Policy Forum of Hawaii supported this measure. The Department of Education and the Department of the Prosecuting Attorney of the City and County of Honolulu supported the intent of this measure. DOH opposed this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 128 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kahikina, Takai, Takumi and Stonebraker.

SCRep. 1190 Health on H.C.R. No. 164

The purpose of this concurrent resolution is to promote efforts to address the serious problem of drug abuse, including the use of crystal methamphetamine (crystal meth), by requesting the Department of Health (DOH) to:

- (1) Launch a renewed public education campaign, with participation from other public and private agencies, to combat the problem of crystal meth; and
- (2) Report to the Legislature on the effectiveness of past public education campaigns in the fight against drug abuse.

Drug Policy Forum of Hawaii supported this measure. The Department of Education and the Department of the Prosecuting Attorney of the City and County of Honolulu supported the intent of this measure. DOH opposed this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 164 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kahikina, Takai, Takumi and Stonebraker.

SCRep. 1191 Water, Land Use, and Hawaiian Affairs on H.R. No. 137

The purpose of this resolution is to request the Department of Land and Natural Resources (DLNR) to conduct a pilot project to assess the feasibility of a community-based marine reserve advisory process to support DLNR in the identification, designation, and stewardship of marine reserve sites and to conduct a survey to identify areas of the marine environment where management and resource protection needs are the greatest.

The Hawaii Audubon Society, Ocean Law and Policy Institute of the Pacific Forum CSIS, Kahea: The Hawaiian Environmental Alliance, Conservation Council for Hawaii, Coalition Against CO2 Dumping, Nature Conservancy of Hawaii, Hawaii's Thousand Friends, a Maui County Councilmember, and numerous concerned citizens testified in support of this measure. DLNR supported the intent of this measure. Several individuals testified in opposition to this measure.

As affirmed by the record of votes of the members of your Committee on Water, Land Use, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 137 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1192 Water, Land Use, and Hawaiian Affairs on H.C.R. No. 173

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources (DLNR) to conduct a pilot project to assess the feasibility of a community-based marine reserve advisory process to support DLNR in the identification, designation, and stewardship of marine reserve sites and to conduct a survey to identify areas of the marine environment where management and resource protection needs are the greatest.

The Hawaii Audubon Society, Ocean Law and Policy Institute of the Pacific Forum CSIS, Kahea: The Hawaiian Environmental Alliance, Conservation Council for Hawaii, Coalition Against CO2 Dumping, Nature Conservancy of Hawaii, Hawaii's Thousand Friends, a Maui County Councilmember, and numerous concerned citizens testified in support of this measure. DLNR supported the intent of this measure. Several individuals testified in opposition to this measure.

As affirmed by the record of votes of the members of your Committee on Water, Land Use, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 173 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1193 Water, Land Use, and Hawaiian Affairs on H.R. No. 47

The purpose of this resolution is to request a study to assess the economic feasibility, environmental impacts, and design and construction alternatives for the use of groin structures and sand restoration to restore a sandy beach and public access at the experimental project beach access site located on an armored shoreline in Lanikai.

The Lanikai Beach Preservation Foundation testified in support of this measure. The Department of Land and Natural Resources (DLNR) supported the intent of this resolution but was concerned about the cost implications of this measure at this time.

Hawaii is a well-known tourist destination whose natural beauty attracts millions of visitors each year. Your Committee recognizes that shoreline areas and beaches represent one of Hawaii's most valuable and vulnerable natural resources.

Your Committee has amended this resolution by:

- (1) Requiring the DLNR to coordinate with the Army Corps of Engineer in conducting this study; 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 Water, Land Use, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 47, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 47, H.D. 1.

Signed by all members of the Committee.

SCRep. 1194 Water, Land Use, and Hawaiian Affairs on H.C.R. No. 44

The purpose of this concurrent resolution is to request a study to assess the economic feasibility, environmental impacts, and design and construction alternatives for the use of groin structures and sand restoration to restore a sandy beach and public access at the experimental project beach access site located on an armored shoreline in Lanikai.

The Lanikai Beach Preservation Foundation testified in support of this measure. The Department of Land and Natural Resources (DLNR) supported the intent of this concurrent resolution but was concerned about the cost implications of this measure at this time.

Hawaii is a well-known tourist destination whose natural beauty attracts millions of visitors each year. Your Committee recognizes that shoreline areas and beaches represent one of Hawaii's most valuable and vulnerable natural resources.

Your Committee has amended this concurrent resolution by:

- (1) Requiring the DLNR to coordinate with the Army Corps of Engineer in conducting this study; 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 Water, Land Use, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 44, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 44, H.D. 1.

Signed by all members of the Committee.

SCRep. 1195 International Affairs on H.R. No. 66

The purpose of this resolution is to strongly urge the GlaxoSmithKline Corporation (GSK) to immediately resume prescription drug deliveries to Canadian-based mail-order pharmacies.

ILWU Local 142 testified in support of this measure. GSK opposed this measure.

Because of the high cost of prescription drugs, many seniors have been purchasing their drugs at substantially reduced prices through mail-order pharmacies. Your Committee understands that drug manufacturers lose money when people purchase through mail-order pharmacies. Your Committee, however, finds that mail-order pharmacies help seniors obtain access to medications they need and are unable to afford through pharmacies in the United States.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 66 and recommends that it be referred to the Committee on Health.

Signed by all members of the Committee except Representatives Takai, Kahikina, Finnegan and Stonebraker.

SCRep. 1196 International Affairs on H.C.R. No. 65

The purpose of this concurrent resolution is to strongly urge the GlaxoSmithKline Corporation (GSK) to immediately resume prescription drug deliveries to Canadian-based mail-order pharmacies.

ILWU Local 142 testified in support of this measure. GSK opposed this measure.

Because of the high cost of prescription drugs, many seniors have been purchasing their drugs at substantially reduced prices through mail-order pharmacies. Your Committee understands that drug manufacturers lose money when people purchase through mail-order pharmacies. Your Committee, however, finds that mail-order pharmacies help seniors obtain access to medications they need and are unable to afford through pharmacies in the United States.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 65 and recommends that it be referred to the Committee on Health.

Signed by all members of the Committee except Representatives Takai, Kahikina, Finnegan and Stonebraker.

SCRep. 1197 Water, Land Use, and Hawaiian Affairs on H.R. No. 78

The purpose of this resolution is to request the state government to undertake a variety of initiatives to preserve and protect Hawaii's beaches and shorelines.

Your Committee finds that it is incumbent upon this Legislature to support the preservation and protection of the fragile boundaries of the Pacific Ocean, and its shores and beaches, to restore balance and harmony to a world threatened with pollution and the sizable loss of viable land and shorelines.

The Department of Land and Natural Resources and five concerned citizens supported this measure.

As affirmed by the record of votes of the members of your Committee on Water, Land Use, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 78 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1198 Water, Land Use, and Hawaiian Affairs on H.C.R. No. 80

The purpose of this concurrent resolution is to request the state government to undertake a variety of initiatives to preserve and protect Hawaii's beaches and shorelines.

Your Committee finds that it is incumbent upon this Legislature to support the preservation and protection of the fragile boundaries of the Pacific Ocean, and its shores and beaches, to restore balance and harmony to a world threatened with pollution and the sizable loss of viable land and shorelines.

The Department of Land and Natural Resources and five concerned citizens supported this measure.

As affirmed by the record of votes of the members of your Committee on Water, Land Use, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 80 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1199 Water, Land Use, and Hawaiian Affairs on H.R. No. 160

The purpose of this resolution is to request the Maui County Department of Water Supply to conduct a study on the feasibility and availability of ground water resources in upcountry Maui to eliminate the need for lead treatment and chemical additives in the upcountry Maui water system (Water System).

Three concerned individuals submitted testimony in support of this resolution.

Surface water, having a higher acidity level than ground water, causes lead to leach out of old lead pipes in many household in upcountry Maui, thereby creating a health hazard and necessitating various additives to the Water System counter the hazard. Your Committee finds that the Water System is the only water system in the island of Maui that uses surface water.

Your Committee has amended this resolution by:

- (1) Changing the title of the resolution to read:

"URGING THE BOARD OF WATER SUPPLY OF THE COUNTY OF MAUI TO REQUEST THE MAUI COUNTY DEPARTMENT OF WATER SUPPLY TO CONDUCT A STUDY ON THE FEASIBILITY AND AVAILABILITY OF GROUND WATER RESOURCES IN UPCOUNTRY MAUI IN ORDER TO ELIMINATE THE NEED FOR LEAD TREATMENT AND CHEMICAL ADDITIVES IN THE UPCOUNTRY MAUI WATER SYSTEM;"
- (2) Clarifying that the Water System is the only water system on the island of Maui that uses surface water as a source; and
- (3) Making technical, nonsubstantive amendments for purposes of style, clarity, and consistency.

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

Signed by all members of the Committee.

SCRep. 1200 Water, Land Use, and Hawaiian Affairs on H.C.R. No. 199

The purpose of this concurrent resolution is to request the Maui County Department of Water Supply to conduct a study on the feasibility and availability of ground water resources in upcountry Maui to eliminate the need for lead treatment and chemical additives in the upcountry Maui water system (Water System).

Three concerned individuals submitted testimony in support of this concurrent resolution.

Surface water, having a higher acidity level than ground water, causes lead to leach out of old lead pipes in many household in upcountry Maui, thereby creating a health hazard and necessitating various additives to the Water System counter the hazard. Your Committee finds that the Water System is the only water system in the island of Maui that uses surface water.

Your Committee has amended this concurrent resolution by:

- (1) Changing the title of the concurrent resolution to read:

"URGING THE BOARD OF WATER SUPPLY OF THE COUNTY OF MAUI TO REQUEST THE MAUI COUNTY DEPARTMENT OF WATER SUPPLY TO CONDUCT A STUDY ON THE FEASIBILITY AND AVAILABILITY OF GROUND WATER RESOURCES IN UPCOUNTRY MAUI IN ORDER TO ELIMINATE THE NEED FOR LEAD TREATMENT AND CHEMICAL ADDITIVES IN THE UPCOUNTRY MAUI WATER SYSTEM;"
- (2) Clarifying that the Water System is the only water system on the island of Maui that uses surface water as a source; and
- (3) Making technical, nonsubstantive amendments for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land Use, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 199, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 199, H.D. 1.

Signed by all members of the Committee.

SCRep. 1201 Legislative Management on H.R. No. 50

The purpose this resolution is to request the Legislative Reference Bureau to assist an Advisory Committee in determining the establishment of an Office of International Affairs within state government.

Specifically, the resolution:

- (1) Requests the Legislative Reference Bureau to study and recommend the most appropriate placement of an Office of International Affairs;
- (2) Requests the Legislative Reference Bureau to work with an Advisory Committee;
- (3) Specifies that the Advisory Committee is composed of three members, with the Governor, the Speaker of the House of Representatives, and the President of the Senate each appointing one member; and
- (4) Requests the Legislative Reference Bureau to report its finding and recommendations to the Legislature twenty days before the convening of the Regular Session of 2004.

A private individual testified in support of the resolution. The Department of Business, Economic Development, and Tourism opposed the resolution, while the Legislative Reference Bureau submitted comments.

Your Committee finds that Hawaii has many resources that point to a more active international role for our State. Currently, a number of internationally focused programs exist in various departments and agencies. Your Committee believes that Hawaii should wait no longer to examine our assets and opportunities; instead, we must determine our role in international affairs around the globe to better understand our challenges and opportunities at home and abroad.

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

- (1) Clarifying that the Legislative Reference Bureau is requested to study and recommend the most appropriate location for an Office of International Affairs within state government;

- (2) Clarifying that the study is intended to determine which of the various functions listed in the resolution, e.g. tourism, culture, trade and commerce, peace initiatives, are most appropriately within the scope of a state government Office of International Affairs;
- (3) Replacing the Advisory Committee with representatives to be named by the Governor, Speaker of the House, and President of the Senate, respectively, who will be available to consult with the Legislative Reference Bureau on issues relating to the resolution;
- (4) Amending the title to more accurately reflect the amended resolution; and
- (5) Correcting a typographical error.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 50, as amended herein, and recommends that it be referred to the Committee on International Affairs in the form attached hereto as H.R. No. 50, H.D. 1.

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

SCRep. 1202 Legislative Management on H.C.R. No. 47

The purpose this concurrent resolution is to request the Legislative Reference Bureau to assist an Advisory Committee in determining the establishment of an Office of International Affairs within state government.

Specifically, the concurrent resolution:

- (1) Requests the Legislative Reference Bureau to study and recommend the most appropriate placement of an Office of International Affairs;
- (2) Requests the Legislative Reference Bureau to work with an Advisory Committee;
- (3) Specifies that the Advisory Committee is composed of three members, with the Governor, the Speaker of the House of Representatives, and the President of the Senate each appointing one member; and
- (4) Requests the Legislative Reference Bureau to report its finding and recommendations to the Legislature twenty days before the convening of the Regular Session of 2004.

A private individual testified in support of the concurrent resolution. The Department of Business, Economic Development, and Tourism opposed the concurrent resolution, while the Legislative Reference Bureau submitted comments.

Your Committee finds that Hawaii has many resources that point to a more active international role for our State. Currently, a number of internationally focused programs exist in various departments and agencies. Your Committee believes that Hawaii should wait no longer to examine our assets and opportunities; instead, we must determine our role in international affairs around the globe to better understand our challenges and opportunities at home and abroad.

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

- (1) Clarifying that the Legislative Reference Bureau is requested to study and recommend the most appropriate location for an Office of International Affairs within state government;
- (2) Clarifying that the study is intended to determine which of the various functions listed in the concurrently resolution, e.g. tourism, culture, trade and commerce, peace initiatives, are most appropriately within the scope of a state government Office of International Affairs;
- (3) Replacing the Advisory Committee with representatives to be named by the Governor, Speaker of the House, and President of the Senate, respectively, who will be available to consult with the Legislative Reference Bureau on issues relating to the concurrent resolution;
- (4) Amending the title to more accurately reflect the amended concurrent resolution; and
- (5) Correcting a typographical error.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 47, as amended herein, and recommends that it be referred to the Committee on International Affairs, in the form attached hereto as H.C.R. No. 47, H.D. 1.

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

SCRep. 1203 Public Safety and Military Affairs on H.R. No. 54

The purpose of this resolution is to protect the interests of the United States in the central and western Pacific Ocean by requesting that a Pacific Oceanic Administrative Region be established within the Department of Homeland Security and headquartered in Honolulu.

The Department of Defense and two concerned individuals testified in support of this measure.

Your Committee finds that having a regional office in Honolulu will effectively orchestrate Federal resources and help to accommodate the special homeland security needs of Hawaii, American Samoa, Guam, the Commonwealth of the Northern Marianas, and other entities in the central and western Pacific.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 54 and recommends that it be referred to the Committee on Economic Development and Business Concerns.

Signed by all members of the Committee except Representatives Caldwell, M. Oshiro, Souki and Pendleton.

SCRep. 1204 Public Safety and Military Affairs on H.C.R. No. 51

The purpose of this concurrent resolution is to protect the interests of the United States in the central and western Pacific Ocean by requesting that a Pacific Oceanic Administrative Region be established within the Department of Homeland Security and headquartered in Honolulu.

The Department of Defense and two concerned individuals testified in support of this measure.

Your Committee finds that having a regional office in Honolulu will effectively orchestrate Federal resources and help to accommodate the special homeland security needs of Hawaii, American Samoa, Guam, the Commonwealth of the Northern Marianas, and other entities in the central and western Pacific.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 51 and recommends that it be referred to the Committee on Economic Development and Business Concerns.

Signed by all members of the Committee except Representatives Caldwell, M. Oshiro, Souki and Pendleton.

SCRep. 1205 Consumer Protection and Commerce on H.R. No. 127

The purpose of this resolution is to request that the Departments of Health (DOH) and Commerce and Consumer Affairs (DCCA), establish a task force to examine state regulation of death care providers. The task force is to include representatives of DOH, DCCA, the Executive Office on Aging, and other affected state agencies, and representatives of the death care services industry, including the Hawaii Funeral Director's Association and the Hawaii Allied Memorial Council.

DCCA offered comments, including amendments that would acknowledge the accomplishments of the task force established by H.C.R. No. 53, H.D. 1, 2002 (HCR 53).

Your Committee finds that it is necessary to afford sufficient protections for consumers of death care services and their surviving family members, and to preserve the public trust with respect to the provision of these services. Your Committee further finds that the task force established by DOH and DCCA under HCR 53 was able to address, but was unable to complete the review and evaluation of death care services issues raised by HCR 53. In addition, DCCA and DOH have committed to continuing efforts to thoroughly address these issues. Your Committee finds that this resolution presents a reasonable approach toward continuing these efforts.

Your Committee has amended this resolution to remove issues already addressed by the HCR 53 task force, and by:

- (1) Changing its title to refer to "death care services" rather than "death services;"
- (2) Deleting the request for evaluation of current laws, rules, and policy relating to providers of death care services;
- (3) Deleting the request for examination of applicable model laws relating to death care services; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 127, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 127, H.D. 1.

Signed by all members of the Committee except Representatives Herkes, Caldwell, Chang, Kanoho and Thielen.

SCRep. 1206 Consumer Protection and Commerce on H.C.R. No. 162

The purpose of this concurrent resolution is to request that the Departments of Health (DOH) and Commerce and Consumer Affairs (DCCA), establish a task force to examine state regulation of death care providers. The task force is to include representatives of DOH, DCCA, the Executive Office on Aging, and other affected state agencies, and representatives of the death care services industry, including the Hawaii Funeral Director's Association and the Hawaii Allied Memorial Council.

DCCA offered comments, including amendments that would acknowledge the accomplishments of the task force established by H.C.R. No. 53, H.D. 1, 2002 (HCR 53).

Your Committee finds that it is necessary to afford sufficient protections for consumers of death care services and their surviving family members, and to preserve the public trust with respect to the provision of these services. Your Committee further finds that the task force established by DOH and DCCA under HCR 53 was able to address, but was unable to complete the review and evaluation of death care services issues raised by HCR 53. In addition, DCCA and DOH have committed to continuing efforts to thoroughly address these issues. Your Committee finds that this concurrent resolution presents a reasonable approach toward continuing these efforts.

Your Committee has amended this concurrent resolution to remove issues already addressed by the HCR 53 task force, and by:

- (1) Changing its title to refer to "death care services" rather than "death services;"
- (2) Deleting the request for evaluation of current laws, rules, and policy relating to providers of death care services;
- (3) Deleting the request for examination of applicable model laws relating to death care services; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 162, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 162, H.D. 1.

Signed by all members of the Committee except Representatives Herkes, Caldwell, Chang, Kanoho and Thielen.

SCRep. 1207 Human Services and Housing on H.R. No. 162

The purpose of this resolution is to develop innovative approaches to address the rising cost of medical care by requesting the establishment of a task force to study the feasibility of entering into public-private partnerships for the purpose of providing cost-effective rehabilitation services to low-income and Medicaid-eligible individuals and government employees.

One concerned citizen supported this measure. The Department of Human Services, Hawaii Services for the Disabled, and All-Star Sports & Therapy Center supported the intent 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 concurs with the intent and purpose of H.R. No. 162 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Shimabukuro, Ching and Finnegan.

SCRep. 1208 Human Services and Housing on H.C.R. No. 202

The purpose of this concurrent resolution is to develop innovative approaches to address the rising cost of medical care by requesting the establishment of a task force to study the feasibility of entering into public-private partnerships for the purpose of providing cost-effective rehabilitation services to low-income and Medicaid-eligible individuals and government employees.

One concerned citizen supported this measure. The Department of Human Services, Hawaii Services for the Disabled, and All-Star Sports & Therapy Center supported the intent 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 concurs with the intent and purpose of H.C.R. No. 202 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Shimabukuro, Ching and Finnegan.

SCRep. 1209 Human Services and Housing on H.R. No. 113

The purpose of this resolution is to request the Department of Business, Economic Development, and Tourism and the Department of Human Services (DHS) to:

- (1) Study the Hawaii State Commission on the Status of Women's (Commission) Family Economic Self Sufficiency Standards study; and
- (2) Recommend appropriate public policies in determining payment amounts for cash assistance programs for needy families.

The Commission, National Association of Social Workers, Leeward District Council of the Honolulu Community Action Program, and many concerned individuals testified in support of this measure. DHS submitted comments.

Your Committee has amended this resolution by:

- (1) Specifying that needy individuals should be considered, in addition to families;
- (2) Including the Financial Assistance Advising Committee within DHS as a participant in the evaluation of the study;
- (3) Adding the Department of Labor and Industrial Relations as a participant in evaluating the study;
- (4) Sending a certified copy of the concurrent resolution to the Director of Labor and Industrial Relations; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 113, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 113, H.D. 1.

Signed by all members of the Committee except Representatives Shimabukuro, Takumi and Finnegan.

SCRep. 1210 Human Services and Housing on H.C.R. No. 137

The purpose of this concurrent resolution is to request the Department of Business, Economic Development, and Tourism and the Department of Human Services (DHS) to:

- (1) Study the Hawaii State Commission on the Status of Women's (Commission) Family Economic Self Sufficiency Standards study; and
- (2) Recommend appropriate public policies in determining payment amounts for cash assistance programs for needy families.

The Commission, National Association of Social Workers, Leeward District Council of the Honolulu Community Action Program, and many concerned individuals testified in support of this measure. DHS submitted comments.

Your Committee has amended this concurrent resolution by:

- (1) Specifying that needy individuals should be considered, in addition to families;
- (2) Including the Financial Assistance Advising Committee within DHS as a participant in the evaluation of the study;
- (3) Adding the Department of Labor and Industrial Relations as a participant in evaluating the study;

- (4) Sending a certified copy of the concurrent resolution to the Director of Labor and Industrial Relations; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 137, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 137, H.D. 1.

Signed by all members of the Committee except Representatives Shimabukuro, Takumi and Finnegan.

SCRep. 1211 Human Services and Housing on H.C.R. No. 85

The purpose of this concurrent resolution is to request the Auditor to conduct a program audit of the child protective services system including the Child Protective Services (CPS) division of the Department of Human Services (DHS), Department of the Attorney General, family courts, and the police departments of each county.

Numerous concerned individuals testified in support of this measure. DHS supported the intent of this measure. The Hawaii Government Employees Association commented.

Your Committee finds that there are an unusually large number of individuals with complaints about CPS and allegations that children were removed from homes without good reason or evidence of abuse. Additionally, there are allegations that children taken from their parents are physically abused by foster parents. Parents whose children were taken away by CPS testified that even though their children were returned to them after a period of time, their children are still emotionally scarred from the experience. Your Committee is very concerned about this situation and believes a thorough review of the child protective services system is necessary.

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

- (1) Changing its title to read: "REQUESTING A PROGRAM AUDIT AND INVESTIGATION OF THE VARIOUS AGENCIES INVOLVED IN THE CHILD PROTECTIVE SERVICES SYSTEM;"
- (2) Requesting the Hawaii Civil Rights Commission to investigate repeated violations of various state and federal laws and regulations by CPS;
- (3) Sending a certified copy of the concurrent resolution to the Director of the Hawaii Civil Rights Commission; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 85, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 85, H.D. 1.

Signed by all members of the Committee except Representatives Takai, Takumi, Finnegan and Stonebraker.

SCRep. 1212 Human Services and Housing on H.C.R. No. 108

The purpose of this concurrent resolution is to request the establishment of an ad hoc public-private partnership committee to explore alternative options for maintaining the quality services to foster families that have been provided by the Casey Family Programs in Hawaii.

Blueprint for Change and several individuals testified in support of this measure. A concerned individual opposed this measure. The Department of Human Services and a concerned individual submitted comments.

Your Committee has amended this concurrent resolution by:

- (1) Expressing the Legislature's gratitude to the Casey Family Foundation for the services it has provided to Hawaii's foster families and urging others to continue the Casey model;
- (2) Expressing the Legislature's desire to continue the State's relationship with the Casey Family Programs in some form; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 108, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 108, H.D. 1.

Signed by all members of the Committee except Representatives Shimabukuro, Takumi, Ching and Finnegan.

SCRep. 1213 Human Services and Housing on H.C.R. No. 131

The purpose of this concurrent resolution is to prevent discrimination against individuals seeking to rent property using Section 8 rental subsidies by:

- (1) Requesting the Auditor to perform a management and financial audit of the federal Section 8 voucher program administered by the Housing and Community Development Corporation of Hawaii (HCDCH); and
- (2) Requesting HCDCH to convene a Task Force to determine the appropriate changes to be made to the Section 8 program to improve the delivery of governmental resources to recipients and improve flexibility of the program.

The Hawaii Association of Realtors, Institute of Real Estate Management, and a concerned individual testified in support of this measure. HCDCH provided comments.

Your Committee finds that individuals are discriminated against when using Section 8 rental subsidies. Property management agencies claim that while they are not averse to accepting individuals receiving Section 8 assistance as tenants, Section 8 rules can be cumbersome and inflexible, causing losses in time and money for all parties.

Your Committee has amended this concurrent resolution by:

- (1) Including state and county vouchers in the audit;
- (2) Requesting that the audit include the number of Section 8 vouchers that are returned;
- (3) Including the United States Department of Housing and Urban Development on the Task Force;
- (4) Sending certified copies of the concurrent resolution to the Affordable Housing and Homeless Alliance and Hawaii Association of Realtors; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity and style.

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

Signed by all members of the Committee except Representatives Shimabukuro, Ching, Finnegan, Takamine, Karamatsu, Waters, Meyer and Moses.

SCRep. 1214 International Affairs on H.R. No. 76

The purpose of this resolution is to support the convening of the 2003 Annual Meeting of the United Nations Economic and Social Council's Permanent Forum on Indigenous Issues to be held in Hawaii from May 12-23, 2003.

The Hawaii Tourism Authority testified in support of this measure.

Your Committee finds that more needs to be done to promote Hawaii as a world-class destination for meetings. If Hawaii is able to successfully host an international meeting such as the United Nations Economic and Social Council's Permanent Forum on Indigenous Issues, more international groups will want to hold meetings here.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 76 and recommends its adoption.

Signed by all members of the Committee except Representatives Takai, Kahikina, Finnegan and Stonebraker.

SCRep. 1215 International Affairs on H.C.R. No. 78

The purpose of this concurrent resolution is to support the convening of the 2003 Annual Meeting of the United Nations Economic and Social Council's Permanent Forum on Indigenous Issues to be held in Hawaii from May 12-23, 2003.

The Hawaii Tourism Authority testified in support of this measure.

Your Committee finds that more needs to be done to promote Hawaii as a world-class destination for meetings. If Hawaii is able to successfully host an international meeting such as the United Nations Economic and Social Council's Permanent Forum on Indigenous Issues, more international groups will want to hold meetings here.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 78 and recommends its adoption.

Signed by all members of the Committee except Representatives Takai, Kahikina, Finnegan and Stonebraker.

SCRep. 1216 International Affairs on H.R. No. 86

The purpose of this resolution is to support the commemoration of the life and legacy of Dr. Ralph Johnson Bunche by:

- (1) Supporting the Ralph Bunche Centenary Celebration Committee that is promoting a year-long celebration of the 100th anniversary of the birth of this outstanding American; and
- (2) Requesting that the Governor designate August 2003 to August 2004 as Ralph Bunche Centenary Celebration Year for the State of Hawaii.

The University of Hawaii, United Nations Association of the United States of America-Hawaii Division, Dr. Martin Luther King, Jr. Coalition-Hawaii, The East-West Center, East-West Philosophy Conference, Ralph Bunche Centenary Commemoration Committee, and several concerned citizens testified in support of this measure.

Dr. Ralph Bunche was an outstanding American and internationalist who contributed a great deal to world peace. Your Committee notes that in 1950, the efforts of Dr. Bunche received worldwide recognition when he was awarded the Nobel Prize for Peace for his role in mediating an armistice agreement between Israel and four Arab neighbors. Dr. Bunche was the first person of color to be honored with such an award. Dr. Bunche also broke down a number of other barriers faced by Americans of color and continued to work towards peace and diplomacy throughout his distinguished career.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 86 and recommends its adoption.

Signed by all members of the Committee except Representatives Takai, Kahikina, Finnegan and Stonebraker.

SCRep. 1217 International Affairs on H.C.R. No. 89

The purpose of this concurrent resolution is to support the commemoration of the life and legacy of Dr. Ralph Johnson Bunche by:

- (1) Supporting the Ralph Bunche Centenary Celebration Committee that is promoting a year-long celebration of the 100th anniversary of the birth of this outstanding American; and
- (2) Requesting that the Governor designate August 2003 to August 2004 as Ralph Bunche Centenary Celebration Year for the State of Hawaii.

The University of Hawaii, United Nations Association of the United States of America-Hawaii Division, Dr. Martin Luther King, Jr. Coalition-Hawaii, The East-West Center, East-West Philosophy Conference, Ralph Bunche Centenary Commemoration Committee, and several concerned citizens testified in support of this measure.

Dr. Ralph Bunche was an outstanding American and internationalist who contributed a great deal to world peace. Your Committee notes that in 1950, the efforts of Dr. Bunche received worldwide recognition when he was awarded the Nobel Prize for Peace for his role in mediating an armistice agreement between Israel and four Arab neighbors. Dr. Bunche was the first person of color to be honored with such an award. Dr. Bunche also broke down a number of other barriers faced by Americans of color and continued to work towards peace and diplomacy throughout his distinguished career.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 89 and recommends its adoption.

Signed by all members of the Committee except Representatives Takai, Kahikina, Finnegan and Stonebraker.

SCRep. 1218 International Affairs on H.R. No. 59

The purpose of this resolution is to support International Women's Day and to urge the United States Senate to demonstrate our nation's commitment to human rights by ratifying the Convention on the Elimination of All Forms of Discrimination Against Women.

The Hawaii State Commission on the Status of Women, Hawaii Civil Rights Commission, and the Christian Science Committee on Publication for Hawaii testified in support of this measure.

Over the years, enormous progress has been made in the way of women's rights. Your Committee, however, recognizes that more support in Congress is needed to ensure that women are not discriminated against and are protected from gender-based violence and harassment.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 59 and recommends its adoption.

Signed by all members of the Committee except Representatives Takai, Kahikina, Finnegan and Stonebraker.

SCRep. 1219 International Affairs/Economic Development and Business Concerns on H.R. No. 77

The purpose of this resolution is to expand economic and cultural ties between Hawaii and the Socialist Republic of Vietnam (Vietnam) by requesting the Governor to take all necessary actions to establish a sister-state affiliation with the Province of Thua Thien-Hue in Vietnam.

The Department of Business, Economic Development, and Tourism, City and County of Honolulu, East-West Center, The Directions Corporation, Vietnamese-American Chamber of Commerce, Group 70 International, Inc., Grand Pacific Resources, and a concerned citizen supported this measure.

As affirmed by the records of votes of the members of your Committees on International Affairs and Economic Development and Business Concerns that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 77 and recommend its adoption.

Signed by all members of the Committee except Representatives Takai, Kahikina, Takumi, Stonebraker, Magaoay and Jernigan.

SCRep. 1220 International Affairs/Economic Development and Business Concerns on H.C.R. No. 79

The purpose of this concurrent resolution is to expand economic and cultural ties between Hawaii and the Socialist Republic of Vietnam (Vietnam) by requesting the Governor to take all necessary actions to establish a sister-state affiliation with the Province of Thua Thien-Hue in Vietnam.

The Department of Business, Economic Development, and Tourism, City and County of Honolulu, East-West Center, The Directions Corporation, Vietnamese-American Chamber of Commerce, Group 70 International, Inc., Grand Pacific Resources, and a concerned citizen supported this measure.

As affirmed by the records of votes of the members of your Committees on International Affairs and Economic Development and Business Concerns that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 79 and recommend its adoption.

Signed by all members of the Committee except Representatives Takai, Kahikina, Takumi, Stonebraker, Magaoay and Jernigan.

SCRep. 1221 Human Services and Housing on H.C.R. No. 163

The purpose of this concurrent resolution is to declare the Legislature's support for the establishment and operation of the Hawaii HomeOwnership Center.

The Department of Hawaiian Home Lands, Housing and Community Development Corporation of Hawaii, Bank of Hawaii Corporation, Hawaii HomeOwnership Center, and Lokahi Pacific supported 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 concurs with the intent and purpose of H.C.R. No. 163 and recommends its adoption.

Signed by all members of the Committee except Representatives Shimabukuro, Takumi, Ching and Finnegan.

SCRep. 1222 Consumer Protection and Commerce on S.B. No. 345

The purpose of this bill is to strengthen laws regulating the business of selling new and used motor vehicles, by providing that any person who engages in the business of selling five or more vehicles within a calendar year shall be considered a dealer subject to licensing and other provisions of the Motor Vehicle Industry Licensing Act.

Testimony in support of this measure was submitted by the Hawaii Independent Auto Dealers Association, the Hawaii Insurers Council, and a concerned individual. The Motor Vehicle Industry Licensing Board submitted testimony in support of the intent of this measure. The Department of Commerce and Consumer Affairs (DCCA) submitted comments.

Your Committee finds that requiring dealer licensing for persons who engage in the business of selling more than a certain number of new or used vehicles within a calendar year, will aid in detecting and prosecuting persons engaged in illegal sales activity, and assist in decreasing auto fraud and unscrupulous acts.

Your Committee finds that currently there is no statutory cutoff for licensing. The criteria used by DCCA's Regulated Industries Complaints Office (RICO) to determine when unlicensed motor vehicle investigation and enforcement activities will be initiated, is a three-car sales threshold. If the threshold is raised by statute to the sale of five vehicles in a calendar year, RICO faces a significantly higher evidentiary burden in cases involving unlicensed motor vehicle activity.

Your Committee defers to RICO's expertise and existing administrative practice, and has accordingly amended this bill by decreasing, from five to three, the number of car sales that trigger the dealer licensing requirement. Your Committee also notes that cars used by an individual for personal or business purposes may be sold in an unlimited number, so long as the sales do not constitute a motor vehicle sales business.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 345, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 345, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Herkes, Ito, Kanoho, Finnegan, Stonebraker and Thielen.

SCRep. 1223 Consumer Protection and Commerce on S.B. No. 1049

The purpose of this bill is to provide for the partial deregulation of wireless telecommunications providers by the Public Utilities Commission (PUC).

AT&T Wireless submitted testimony in support of this bill. The Department of Taxation, PUC, and the Department of Budget and Finance commented on this measure. Verizon Wireless voiced concerns.

This bill grants Hawaii's wireless industry a partial exemption from state regulation by specifying that persons with federal licenses to provide commercial mobile radio service shall only be subject to certain requirements of the PUC law, chapter 269, Hawaii Revised Statutes (HRS).

Specifically, the wireless industry would be exempt from PUC regulation in the areas of general supervision, financial reports filing, accident reporting, tariff filing, termination of service, securities issuance, issuance of voting stock, acquisition of another public utility's stock, merger and consolidation, and penalties. However, PUC oversight would continue with respect to certification, exemptions and waivers, the annual public utility fee, liability for damage to public utility property, the Public Utility Special Fund, and the Universal Service Fund.

The Senate Committee on Commerce, Consumer Protection and Housing noted, and the members of this Committee agree that the issue of wireless deregulation is a complex issue and raises several concerns. Thus, in an effort to facilitate further discussion on these matters, your Committee has retained this bill's delayed effective date of July 1, 2050.

Your Committee has amended this measure by:

- (1) Clarifying that wireless telecommunications providers licensed by the Federal Communications Commission to provide commercial mobile service, shall be subject to section 269-55, HRS, which specifies the role of the consumer advocate and the PUC in handling complaints;
- (2) Clarifying that this measure shall not affect the public service company tax obligations of wireless telecommunications providers under chapter 239, HRS; and
- (3) Making a technical, nonsubstantive amendment for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1049, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1049, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Ito, Kanoho, M. Oshiro and Stonebraker.

SCRep. 1224 Finance on S.B. No. 1353

The purpose of this bill is to make an emergency appropriation to the Department of Human Services (DHS) for the Medicaid program.

DHS and Healthcare Association of Hawaii submitted testimony in support of this bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1353, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1353, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Mindo and Bukoski.

SCRep. 1225 Consumer Protection and Commerce on S.B. No. 678

The purpose of this bill is to exclude from the definition of "employment" under the workers' compensation law:

- (1) Service performed by a sole proprietor or a partner of a partnership, as defined in the partnership law, if the partner is an individual; and
- (2) Service performed by a member of an Limited Liability Company if the member is an individual and has a distributional interest, as defined under the Uniform Limited Liability Company Act, of at least 50 percent in the company.

Testimony in support of this measure was submitted by the Department of Labor and Industrial Relations, Hawaii Association of Realtors, National Federation of Independent Business, and a concerned individual. The Chamber of Commerce of Hawaii supported the measure and offered an amendment.

Your Committee learned that this measure is a priority for small business because the exemption of certain individuals from workers' compensation coverage based on the structure of their business entity, alone, is not consistent or fair. This measure creates equity among Hawaii's business entities by allowing certain owners to join the group that may opt out of mandatory workers' compensation coverage. Your Committee finds that businesses are protected under workers' compensation from injured workers' lawsuits, but that this protection provides no benefit to business owners who are injured on the job.

Your Committee believes that this measure is consistent with the intent of workers' compensation laws and would help Hawaii businesses, regardless of their legal structure, by removing unnecessary workers' compensation costs.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 678, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Ito, Kanoho, M. Oshiro and Stonebraker.

SCRep. 1226 Consumer Protection and Commerce on S.B. No. 1361

The purpose of this bill is to improve patient outcomes and reduce drug costs to consumers and third party insurers by:

- (1) Making approved, therapeutically equivalent generic drugs substitutable within days of a new generic product release; and
- (2) Expediting the removal of nonequivalent drugs from the state formulary.

The Hawaii Medical Service Association, Hawaii Pharmacists Association, The Chamber of Commerce of Hawaii, and Kaiser Permanente testified in support of this measure.

Your Committee finds that one of the drivers fueling the rising cost of health care is the increased demand for prescription drugs. Drug therapeutic equivalency evaluations of the Food and Drug Administration are available to pharmacists and other interested parties months before the same information is available through hardcopy publications. This measure will speed up the process through which a generic drug becomes available to Hawaii's consumers and can offer dramatic cost savings to consumers and third party insurers.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1361, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Ito, Kanoho, M. Oshiro and Stonebraker.

SCRep. 1227 Labor and Public Employment/Health on H.C.R. No. 151

The purpose of this concurrent resolution is to attempt to find a solution to the problem of uninsured individuals by requesting the establishment of an interim Task Force on Universal Health Care (Task Force).

The Hawaii Medical Association, AlohaCare, and a member of the Health Futures Task Force testified in support of this measure. Kaiser Permanente supported the intent of this measure. The Hawaii Medical Services Association, Hawaii Psychiatric Medical Association, and a concerned citizen commented on this measure.

Your Committees find that the cost of health care, long-term care, prescription drug costs, and health care insurance are rising and causing economic hardship for many Hawaii residents. These increased costs have also caused many Hawaii residents to go without insurance. Although Hawaii is unique in that it has the Prepaid Health Care Act (PHCA), which mandates that all employees working more than 20 hours a week for at least four consecutive weeks are eligible to receive health care insurance through their employers, many employers are able to get around this requirement through the hiring of part-time individuals. Thus, many residents of Hawaii do not have health insurance.

Although your Committees recognize that there may be a need for a universal health care system, many questions remain as to how to proceed with such a project and what effects the provision of universal health care would have on businesses, employers, the State, employees, and PHCA. Thus, your Committees find that a task force should be established to review all aspects of Hawaii's health care system and determine the feasibility of establishing a universal health care system in the State. The report and recommendations of this task force will allow the Legislature to make informed decisions on this important policy matter.

Your Committees have amended this measure by:

- (1) Requesting the Task Force to look at other alternatives and options to the provision of universal health care coverage, such as the establishment of medical savings accounts and the redesigning of PHCA;
- (2) Requesting the Task Force to include, as a part of their study on the feasibility of providing universal health care to the citizens of this State, a review of the core health care coverage provided by PHCA;
- (3) Increasing the membership of the Task Force to include members of the House Committees on Labor and Public Employment and Consumer Protection and Commerce; Senate Committees on Labor and Commerce, Consumer Protection, and Housing; AlohaCare; National Federation of Independent Business; Chamber of Commerce of Hawaii; American Association of Retired Persons-Hawaii Chapter; Kokua Council; and Hawaii Psychiatric Association; and
- (4) 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 Labor and Public Employment and Health that are attached to this report, your Committees concur with the intent

and purpose of H.C.R. No. 151, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 151, H.D. 1.

Signed by all members of the Committee except Representatives Ito, Moses, Pendleton, Kahikina, Takai and Stonebraker.

SCRep. 1228 Health on H.C.R. No. 70

The purpose of this concurrent resolution is to request the Auditor to perform a management audit of the Dental Health Division of the Department of Health (DOH).

Many individuals testified in support of this measure. DOH opposed this measure.

Your Committee finds that tooth decay is the most common chronic childhood disease and that dental disease can threaten a child's health, well-being, and achievement, as children with oral health problems can have difficulty eating, sleeping, and paying attention in school.

In recent years, funds were appropriated to DOH but were not expended for the intended purposes of providing dental health services to Hawaii's residents. Furthermore, the Dental Health Division has not fully addressed even the basic dental needs of the underserved and rural populations. A management audit is needed to determine why this has happened and how to rectify it in the future using existing resources.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 70 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kahikina, Takai, Takumi and Stonebraker.

SCRep. 1229 Health on H.C.R. No. 40

The purpose of this concurrent resolution is to provide a healthy work environment by establishing a policy of the Legislature that smoking shall not be permitted in the State Capitol building in its entirety, including:

- (1) The entire basement and basement parking spaces;
- (2) All rooms; and
- (3) All hallways and lanais, regardless of whether they are enclosed.

A concerned individual testified in support of this concurrent resolution.

Your Committee finds that smoking in the United States results in approximately \$97,200,000,000 each year in health costs and lost productivity. Smoking is directly responsible for 87 percent of lung cancer cases and causes most cases of emphysema and chronic bronchitis, as well as numerous other health ailments.

Further, your Committee finds that workplaces nationwide are adopting smoke-free policies to provide clean indoor air and protect employees from the life-threatening effects of secondhand smoke.

For all of the foregoing reasons, your Committee finds that a policy should be established to make the State Capitol a smoke-free environment to protect the health of workers and visitors.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 40 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Kahikina, Takai, Takumi and Stonebraker.

SCRep. 1230 Human Services and Housing/Health on H.R. No. 89

The purpose of this resolution is to request the Department of Human Services (DHS) and Department of Health (DOH) to conduct a joint feasibility study on the return of unused pharmaceuticals from nursing homes for possible subsequent dispensing to indigent patients.

DOH and the Hawaii Long Term Care Association testified in support of this measure. DHS supported the intent of this measure.

Your Committees have amended this resolution by:

- (1) Changing its title to read: "REQUESTING THE DEPARTMENT OF HUMAN SERVICES, DEPARTMENT OF HEALTH, AND BOARD OF PHARMACY TO CONDUCT A JOINT IMPLEMENTATION PLAN ON

THE RETURN OF UNUSED DRUGS BY INSTITUTIONAL FACILITIES FOR FUTURE DISPENSING TO INDIGENT PATIENTS";

- (2) Changing the term "feasibility study" to "implementation plan;"
- (3) Including the Board of Pharmacy to work together with DOH and DHS;
- (4) Requesting necessary administrative rule revisions;
- (5) Changing the term "nursing homes" to "institutional facilities;"
- (6) Sending a certified copy to the Chair of the Board of Pharmacy; and
- (7) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 89, as amended herein, and recommend that it be referred to the Committee on Consumer Protection and Commerce in the form attached hereto as H.R. No. 89, H.D. 1.

Signed by all members of the Committee except Representatives Nishimoto, Takai, Takumi and Finnegan.

SCRep. 1231 Human Services and Housing/Health on H.C.R. No. 99

The purpose of this concurrent resolution is to request the Department of Human Services (DHS) and Department of Health (DOH) to conduct a joint feasibility study on the return of unused pharmaceuticals from nursing homes for possible subsequent dispensing to indigent patients.

DOH and the Hawaii Long Term Care Association testified in support of this measure. DHS supported the intent of this measure.

Your Committees have amended this concurrent resolution by:

- (1) Changing its title to read: "REQUESTING THE DEPARTMENT OF HUMAN SERVICES, DEPARTMENT OF HEALTH, AND BOARD OF PHARMACY TO CONDUCT A JOINT IMPLEMENTATION PLAN ON THE RETURN OF UNUSED DRUGS BY INSTITUTIONAL FACILITIES FOR FUTURE DISPENSING TO INDIGENT PATIENTS";
- (2) Changing the term "feasibility study" to "implementation plan;"
- (3) Including the Board of Pharmacy to work together with DOH and DHS;
- (4) Requesting necessary administrative rule revisions;
- (5) Changing the term "nursing homes" to "institutional facilities;"
- (6) Sending a certified copy to the Chair of the Board of Pharmacy; and
- (7) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 99, as amended herein, and recommend that it be referred to the Committee on Consumer Protection and Commerce in the form attached hereto as H.C.R. No. 99, H.D. 1.

Signed by all members of the Committee except Representatives Nishimoto, Takai, Takumi and Finnegan.

SCRep. 1232 Legislative Management on H.C.R. No. 7

The purpose of this concurrent resolution is to request the Auditor to conduct a study of a proposal to require health insurance coverage for hearing aid devices and services.

The Auditor is required by section 23-51, Hawaii Revised Statutes, to prepare and submit a report to the Legislature before any legislation that mandates health insurance coverage for specific health services, specific diseases, or certain providers of health care services as part of individual or group health insurance policies, can be considered.

The Department of Health, Disability and Communication Access Board, Hawaii Early Intervention Coordinating Council, and three concerned individuals testified in support of this measure. The Hawaii Medical Service Association submitted comments.

Your Committee finds that health plans have covered partial costs for eyeglasses for many years. Given Hawaii's growing elderly population, hearing loss may become a widespread problem in the near future. Because hearing devices are very expensive, more individuals could benefit from these devices if health plans were mandated to provide at least partial payments for them.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 7, H.D. 1, and recommends that it be referred to the Committee on Finance.

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

SCRep. 1233 Energy and Environmental Protection on H.R. No. 139

The purpose of this resolution is to convene an Emissions Task Force (Task Force) to measure the State's overall emissions from electric power plants and motor vehicles and to propose strategies and legislation to reduce emissions.

Life of the Land and the Alliance of Automobile Manufacturers testified in support of this measure. The Department of Health and the Public Utilities Commission supported the intent of this resolution. The Department of Business, Economic

Development, and Tourism and the Hawaii Automobile Dealers Association offered comments. Hawaiian Electric Company, Inc., and its subsidiary utility companies, Maui Electric Company, Ltd. and Hawaii Electric Light Company, Inc., opposed this measure.

"Carbon trading" is one of the strategies that the Task Force may consider. It represents a voluntary attempt to create market incentives for energy companies, manufacturers, and governments to cut emissions by reducing and trading greenhouse gas emissions.

Your Committee has amended this resolution by:

- (1) Clarifying the impacts of reducing emissions from electric power plants;
- (2) Deleting Hawaii Energy Roundtable and the Hawaii Auto Alliance from the Task Force and inserting the Alliance of Automobile Manufacturers; and
- (3) Making technical, nonsubstantive amendments for the purpose of clarity and to correct factual errors.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 139, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 139, H.D. 1.

Signed by all members of the Committee except Representative Bukoski.

SCRep. 1234 Energy and Environmental Protection on H.C.R. No. 145

The purpose of this concurrent resolution is to request the Department of Business, Economic Development, and Tourism (DBEDT) to study the utilization of recyclable plastics and other alternate energy sources for the generation of power.

The Hawaii Food Industry Association, Legislative Information Services of Hawaii, and Pacific Allied Products, Ltd., testified in support of this measure. DBEDT and Life of the Land commented on this measure.

As an isolated island state, Hawaii has a high dependence on fossil fuels for its energy needs, which has a tremendous impact upon one of its greatest assets, its natural environment. Your Committee finds that garbage-to-energy facilities, such as the H-POWER plant on Oahu, have the ability to generate electrical power for the State using an alternative source of energy. Your Committee further finds that other countries have built thermoelectric power plants operated solely through the use of fuel made from recyclable plastics. These alternative sources of energy would not only decrease our dependence on fossil fuels, but would also divert waste from state landfills that are already reaching capacity.

Your Committee has amended this measure by:

- (1) Deleting the request for DBEDT to also study the potential of manufacturing hydrogen fuel for use in propelling public transportation;
- (2) Inserting language that requests DBEDT to submit a report of its findings, recommendations, and proposed legislation to the Legislature no later than twenty days prior to the convening of the Regular Session of 2004; 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 Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 145, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 145, H.D. 1.

Signed by all members of the Committee except Representative Bukoski.

SCRep. 1235 Human Services and Housing on H.R. No. 104

The purpose of this concurrent resolution is to urge the Governor to convene a task force to address the continual need and unmet demand for transitional housing facilities on Oahu.

The Downtown Neighborhood Board No. 13 and Hawaii Youth Services Network testified in support of this measure. The Affordable Housing and Homeless Alliance and Blueprint for Change supported this measure with amendments. The Housing and Community Development Corporation of Hawaii supported the intent of this measure. The Judiciary provided comments.

Your Committee has amended this concurrent resolution by:

- (1) Changing its title to read: "URGING THE GOVERNOR TO CONVENE A TASK FORCE TO ADDRESS THE CONTINUAL NEED AND UNMET DEMAND FOR HOUSING FACILITIES AND URGING THE EXPANSION OF THE HOMELESS POLICY ACADEMY";
- (2) Reflecting a statewide need for housing and not just on Oahu;
- (3) Including all types of housing and not just transitional;
- (4) Sending a certified copy of this concurrent resolution to the Mayors and Chairpersons of the Councils of each county and the Executive Director of Blueprint for Change; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 104, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 104, H.D. 1.

Signed by all members of the Committee except Representatives Shimabukuro, Takumi, Ching and Finnegan.

SCRep. 1236 Human Services and Housing on H.C.R. No. 121

The purpose of this concurrent resolution is to urge the Governor to convene a task force to address the continual need and unmet demand for transitional housing facilities on Oahu.

The Downtown Neighborhood Board No. 13 and Hawaii Youth Services Network testified in support of this measure. The Affordable Housing and Homeless Alliance and Blueprint for Change supported this measure with amendments. The Housing and Community Development Corporation of Hawaii supported the intent of this measure. The Judiciary provided comments.

Your Committee has amended this concurrent resolution by:

- (1) Changing its title to read: "URGING THE GOVERNOR TO CONVENE A TASK FORCE TO ADDRESS THE CONTINUAL NEED AND UNMET DEMAND FOR HOUSING FACILITIES AND URGING THE EXPANSION OF THE HOMELESS POLICY ACADEMY";
- (2) Reflecting a statewide need for housing and not just on Oahu;
- (3) Including all types of housing and not just transitional;
- (4) Sending a certified copy of this concurrent resolution to the Mayors and Chairpersons of the Councils of each county and the Executive Director of Blueprint for Change; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 121, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 121, H.D. 1.

Signed by all members of the Committee except Representatives Shimabukuro, Takumi, Ching and Finnegan.

SCRep. 1237 Human Services and Housing on H.C.R. No. 209

The purpose of this concurrent resolution is to request that the Department of Human Services (DHS) release information to the Hawaii County Police Department that would facilitate locating Peter Boy Kema.

Na Keiki Law Center testified in support of this measure. DHS submitted comments.

Your Committee has amended this concurrent resolution by:

- (1) Changing its title to read: "REQUESTING INFORMATION ON THE PETER BOY KEMA CASE";
- (2) Requesting DHS to release information to the public, in addition to the Hawaii County Police Department, to facilitate locating Peter Boy;
- (3) Requesting the Hawaii County Police to release the status of the police investigation on Peter Boy;
- (4) Sending a certified copy of the concurrent resolution to the Attorney General; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 209, as amended herein, and recommends that it be referred to the Committee on Judiciary, in the form attached hereto as H.C.R. No. 209, H.D. 1.

Signed by all members of the Committee except Representatives Shimabukuro, Ching and Finnegan.

SCRep. 1238 Water, Land Use, and Hawaiian Affairs on H.R. No. 175

The purpose of this measure is to urge the Mayors of the respective counties to implement an expedited permit review process for large qualified projects.

Your Committee has amended this measure by deleting its contents and amending its title to read "House Resolution Concerning Certain Public Leases." As so amended, this resolution requests the Department of Land and Natural Resources to authorize the cancellation of General Leases No. S-3840, S-3831, and S-4647, and to issue a new lease, subject to certain conditions.

In addition, this resolution requests the Department of Land and Natural Resources, upon determining that there is a willing and able bidder for the re-lease of the subject public lands, to auction the lands, with the understanding that the successful bidder shall pay the lessee a sum equal to the fair market value of the improvements.

The Department of Land and Natural Resources provided testimony in opposition to this measure and Kauai Beachfront Hotel offered testimony in support of this resolution.

Your Committee finds that the County of Kauai has been particularly impacted by the prolonged economic downturn, having suffered the devastating effects of Hurricane Iniki and the economic repercussions of the September 11, 2001 tragedy.

Your Committee further finds that the action requested by Kauai Beachfront Hotel would also greatly benefit the County of Kauai by saving existing jobs and helping to revitalize its local economy.

As affirmed by the record of votes of the members of your Committee on Water, Land Use, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 175, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 175, H.D. 1.

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

SCRep. 1239 Water, Land Use, and Hawaiian Affairs on H.C.R. No. 223

The purpose of this measure is to urge the Mayors of the respective counties to implement an expedited permit review process for large qualified projects.

Your Committee has amended this measure by deleting its contents and amending its title to read "House Concurrent Resolution Concerning Certain Public Leases." As so amended, this concurrent resolution requests the Department of Land and Natural Resources to authorize the cancellation of General Leases No. S-3840, S-3831, and S-4647, and to issue a new lease, subject to certain conditions.

In addition, this concurrent resolution requests the Department of Land and Natural Resources, upon determining that there is a willing and able bidder for the re-lease of the subject public lands, to auction the lands, with the understanding that the successful bidder shall pay the lessee a sum equal to the fair market value of the improvements.

The Department of Land and Natural Resources provided testimony in opposition to this measure and Kauai Beachfront Hotel offered testimony in support of this concurrent resolution.

Your Committee finds that the County of Kauai has been particularly impacted by the prolonged economic downturn, having suffered the devastating effects of Hurricane Iniki and the economic repercussions of the September 11, 2001 tragedy.

Your Committee further finds that the action requested by Kauai Beachfront Hotel would also greatly benefit the County of Kauai by saving existing jobs and helping to revitalize its local economy.

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

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

SCRep. 1240 Agriculture on H.R. No. 70

The purpose of this resolution is to request the President of the United States and First Lady Laura Bush, to show their aloha by serving Hawaii's Kona coffee on a regular basis to their guests.

The Hawaii Food Industry Association, Hawaii Farm Bureau Federation, Kona Coffee Council, Heavenly Hawaiian Farm & The Other Farm, Volcanic Kona Coffee Co, Golden Dragon Plantation, Hualalai Kona Coffee Company, Kona Kosher Coffee Co, Dragons Lair Farm, Kona Farmers Alliance, Ro-Jo 100% Kona Coffee, Mauna Kona Coffee, Po'okela Enterprises, LLC, Kahuakona Coffee, and a concerned citizen supported this measure. The Department of Business, Economic Development, and Tourism, Kauai Coffee Company, Maui Oma Coffee Roasting Co., Inc., Hawaii Coffee Association, and Hilo Coffee Mill supported the intent of this measure.

Your Committee recognizes the value in promoting Kona coffee. However, your Committee notes that other areas and islands of the State also grow and produce rich, high-quality coffee.

In light of this, your Committee has amended this measure by:

- (1) Specifying that the President and his wife are requested to show their aloha by serving 100 percent Hawaii-grown coffee, instead of limiting the coffee to Kona coffee;
- (2) Changing the title and other provisions of this measure to conform to the changes under (1); 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 Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 70, as amended herein, and recommends that it be referred to the Committee on Economic Development and Business Concerns in the form attached hereto as H.R. No. 70, H.D. 1.

Signed by all members of the Committee except Representatives Karamatsu, B. Oshiro, Schatz and Tamayo.

SCRep. 1241 Agriculture on H.C.R. No. 67

The purpose of this concurrent resolution is to request the President of the United States and First Lady Laura Bush, to show their aloha by serving Hawaii's Kona coffee on a regular basis to their guests.

The Hawaii Food Industry Association, Hawaii Farm Bureau Federation, Kona Coffee Council, Heavenly Hawaiian Farm & The Other Farm, Volcanic Kona Coffee Co, Golden Dragon Plantation, Hualalai Kona Coffee Company, Kona Kosher Coffee Co, Dragons Lair Farm, Kona Farmers Alliance, Ro-Jo 100% Kona Coffee, Mauna Kona Coffee, Po'okela Enterprises, LLC, Kahuakona Coffee, and a concerned citizen supported this measure. The Department of Business, Economic Development, and Tourism, Kauai Coffee Company, Maui Oma Coffee Roasting Co., Inc., Hawaii Coffee Association, and Hilo Coffee Mill supported the intent of this measure.

Your Committee recognizes the value in promoting Kona coffee. However, your Committee notes that other areas and islands of the State also grow and produce rich, high-quality coffee.

In light of this, your Committee has amended this measure by:

- (1) Specifying that the President and his wife are requested to show their aloha by serving 100 percent Hawaii-grown coffee, instead of limiting the coffee to Kona coffee;
- (2) Changing the title and other provisions of this measure to conform to the changes under (1); 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 Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 67, as amended herein, and recommends that it be referred to the Committee on Economic Development and Business Concerns in the form attached hereto as H.C.R. No. 67, H.D. 1.

Signed by all members of the Committee except Representatives Karamatsu, B. Oshiro, Schatz and Tamayo.

SCRep. 1242 Energy and Environmental Protection/Water, Land Use, and Hawaiian Affairs on H.R. No. 147

The purpose of this resolution is to request the Hawaii Community Development Authority (HCDA) to determine to what extent it is utilizing promising energy efficiency and renewable energy technologies in its development districts. This measure is aimed at creating a more cost-effective and more sustainable environment in these development districts by considering new technologies such as seawater air conditioning and solar thermal and photovoltaics.

Life of the Land and two concerned individuals testified in support of this resolution. HCDA and Makai Ocean Engineering supported the intent of this measure.

Your Committees have amended this resolution by:

- (1) Requesting the Department of Business, Economic Development, and Tourism and Hawaiian Electric Company to assist HCDA in this undertaking;
- (2) Indicating that the University of Hawaii (UH) is working towards certification in the Leadership in Energy and Environmental Design (LEEDS) Program in conjunction with the development of the John A. Burns School of Medicine project in Kakaako, which, by incorporating energy efficient and environmental measures, could serve as a model for future developments in the region; and
- (3) Making technical, nonsubstantive amendments for the purpose of style and to conform to standard drafting conventions.

As affirmed by the records of votes of the members of your Committees on Energy and Environmental Protection and Water, Land Use, and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 147, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 147, H.D. 1.

Signed by all members of the Committee.

SCRep. 1243 Energy and Environmental Protection/Water, Land Use, and Hawaiian Affairs on H.C.R. No. 183

The purpose of this concurrent resolution is to request the Hawaii Community Development Authority (HCDA) to determine to what extent it is utilizing promising energy efficiency and renewable energy technologies in its development districts. This measure is aimed at creating a more cost-effective and more sustainable environment in these development districts by considering new technologies such as seawater air conditioning and solar thermal and photovoltaics.

Life of the Land and two concerned individuals testified in support of this concurrent resolution. HCDA and Makai Ocean Engineering supported the intent of this measure.

Your Committees have amended this concurrent resolution by:

- (1) Requesting the Department of Business, Economic Development, and Tourism and Hawaiian Electric Company to assist HCDA in this undertaking;
- (2) Indicating that the University of Hawaii (UH) is working towards certification in the Leadership in Energy and Environmental Design (LEEDS) Program in conjunction with the development of the John A. Burns School of Medicine project in Kakaako, which, by incorporating energy efficient and environmental measures, could serve as a model for future developments in the region; and
- (3) Making technical, nonsubstantive amendments for the purpose of style and to conform to standard drafting conventions.

As affirmed by the records of votes of the members of your Committees on Energy and Environmental Protection and Water, Land Use, and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 183, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 183, H.D. 1.

Signed by all members of the Committee.

SCRep. 1244 Energy and Environmental Protection on H.R. No. 100

The purpose of this resolution is to request the Department of Business, Economic Development, and Tourism (DBEDT) to include a component addressing financing of renewable energy projects using revenue bonds in their upcoming study, "Renewable Energy Research, Development, Commercialization, and Export Promotion Plan for Hawaii."

Powerlight Corporation and R & R Solar Supply testified in support of the measure. DBEDT and the Hawaii Renewable Energy Alliance supported the intent of the measure.

Your Committee has amended this resolution by:

- (1) Changing its title to read: "REQUESTING THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM TO RECOMMEND A PLAN FOR THE ISSUANCE OF REVENUE BONDS OR OTHER FORMS OF REVENUE FINANCING FOR RENEWABLE ENERGY SYSTEMS IN PUBLIC FACILITIES";
- (2) Amending the projected completion date for the report, "Renewable Energy Research, Development, Commercialization, And Export Promotion Plan For Hawaii," to June 30, 2003;
- (3) Deleting the requirement that DBEDT include its plan for the issuance of revenue bonds or other forms of revenue financing for renewable energy development in their study, "Renewable Energy Research, Development, Commercialization, And Export Promotion Plan For Hawaii;" and

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

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

Signed by all members of the Committee except Representatives Kanoho and Bukoski.

SCRep. 1245 Energy and Environmental Protection on H.C.R. No. 115

The purpose of this concurrent resolution is to request the Department of Business, Economic Development, and Tourism (DBEDT) to include a component addressing financing of renewable energy projects using revenue bonds in their upcoming study, "Renewable Energy Research, Development, Commercialization, and Export Promotion Plan for Hawaii."

Powerlight Corporation and R & R Solar Supply testified in support of the measure. DBEDT and the Hawaii Renewable Energy Alliance supported the intent of the measure.

Your Committee has amended this concurrent resolution by:

- (1) Changing its title to read: "REQUESTING THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM TO RECOMMEND A PLAN FOR THE ISSUANCE OF REVENUE BONDS OR OTHER FORMS OF REVENUE FINANCING FOR RENEWABLE ENERGY SYSTEMS IN PUBLIC FACILITIES";
- (2) Amending the projected completion date for the report, "Renewable Energy Research, Development, Commercialization, And Export Promotion Plan For Hawaii," to June 30, 2003;
- (3) Deleting the requirement that DBEDT include its plan for the issuance of revenue bonds or other forms of revenue financing for renewable energy development in their study, "Renewable Energy Research, Development, Commercialization, And Export Promotion Plan For Hawaii;" and
- (4) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 115, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 115, H.D. 1.

Signed by all members of the Committee except Representatives Kanoho and Bukoski.

SCRep. 1246 Energy and Environmental Protection on H.R. No. 136

The purpose of this resolution is to facilitate the purchase of electricity from renewable energy producers by requesting the Consumer Advocate to form an ad hoc advisory group (advisory group) to investigate and make recommendations regarding the implementation of standard offer contracts and standardized interconnection agreements.

The Consumer Advocate, Public Utilities Commission, Hawaii Renewable Energy Alliance, Sierra Club, Hawaii Chapter, Life of the Land, and five concerned individuals testified in support of this measure. Hawaiian Electric Company, Inc., and its subsidiary utilities, Hawaii Electric Light Company, Inc., and Maui Electric Company, Ltd., offered comments.

Your Committee has amended this resolution by:

- (1) Requesting the Consumer Advocate to investigate not only the implementation but also the development of standard offer contracts and standardized interconnection agreements;
- (2) Clarifying that the purpose of the investigation is not only to facilitate the purchase of electricity from renewable energy producers, but also to facilitate a reduction in the approval process time for the implementation of renewable energy systems;
- (3) Restating the title to read:

"REQUESTING THE CONSUMER ADVOCATE TO FORM AN HOC ADVISORY GROUP TO INVESTIGATE AND MAKE RECOMMENDATIONS REGARDING THE DEVELOPMENT AND IMPLEMENTATION OF STANDARD OFFER CONTRACTS AND STANDARDIZED INTERCONNECTION AGREEMENTS TO REDUCE THE APPROVAL PROCESS TIME FOR THE IMPLEMENTATION OF RENEWABLE ENERGY SYSTEMS; AND FACILITATE THE PURCHASE OF ELECTRICITY FROM RENEWABLE ENERGY PRODUCERS IN HAWAII;"
- (4) Specifying that county energy coordinators could serve as the county representatives on the advisory group;
- (5) Requesting the Consumer Advocate to:
 - (a) Create a spreadsheet for all existing power purchase agreements and all power purchase agreements currently under negotiation; and
 - (b) Report on:
 - (i) The spreadsheet;
 - (ii) The methodology used to evaluate the non-financial costs and benefits of each power purchase agreement;
 - (iii) Recommendations to shorten the approval process time for the implementation of new renewable energy systems; and
 - (iv) Recommended standardized power purchase agreements;

and

- (6) Making technical, nonsubstantive amendments for the purpose of style and to correct drafting errors.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 136, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 136, H.D. 1.

Signed by all members of the Committee except Representatives Kanohe and Bukoski.

SCRep. 1247 Energy and Environmental Protection on H.C.R. No. 172

The purpose of this concurrent resolution is to facilitate the purchase of electricity from renewable energy producers by requesting the Consumer Advocate to form an ad hoc advisory group (advisory group) to investigate and make recommendations regarding the implementation of standard offer contracts and standardized interconnection agreements.

The Consumer Advocate, Public Utilities Commission, Hawaii Renewable Energy Alliance, Sierra Club, Hawaii Chapter, Life of the Land, and five concerned individuals testified in support of this measure. Hawaiian Electric Company, Inc., and its subsidiary utilities, Hawaii Electric Light Company, Inc., and Maui Electric Company, Ltd., offered comments.

Your Committee has amended this concurrent resolution by:

- (1) Requesting the Consumer Advocate to investigate not only the implementation but also the development of standard offer contracts and standardized interconnection agreements;
- (2) Clarifying that the purpose of the investigation is not only to facilitate the purchase of electricity from renewable energy producers, but also to facilitate a reduction in the approval process time for the implementation of renewable energy systems;
- (3) Restating the title to read:

"REQUESTING THE CONSUMER ADVOCATE TO FORM AN HOC ADVISORY GROUP TO INVESTIGATE AND MAKE RECOMMENDATIONS REGARDING THE DEVELOPMENT AND IMPLEMENTATION OF STANDARD OFFER CONTRACTS AND STANDARDIZED INTERCONNECTION AGREEMENTS TO REDUCE THE APPROVAL PROCESS TIME FOR THE IMPLEMENTATION OF RENEWABLE ENERGY SYSTEMS; AND FACILITATE THE PURCHASE OF ELECTRICITY FROM RENEWABLE ENERGY PRODUCERS IN HAWAII;"
- (4) Specifying that county energy coordinators could serve as the county representatives on the advisory group;
- (5) Requesting the Consumer Advocate to:
 - (a) Create a spreadsheet for all existing power purchase agreements and all power purchase agreements currently under negotiation; and
 - (b) Report on:
 - (i) The spreadsheet;
 - (ii) The methodology used to evaluate the non-financial costs and benefits of each power purchase agreement;
 - (iii) Recommendations to shorten the approval process time for the implementation of new renewable energy systems; and
 - (iv) Recommended standardized power purchase agreements;

and

- (6) Making technical, nonsubstantive amendments for the purpose of style and to correct drafting errors.

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

Signed by all members of the Committee except Representatives Kanohe and Bukoski.

SCRep. 1248 Energy and Environmental Protection on H.C.R. No. 175

The purpose of this concurrent resolution is to convene an Emissions Task Force (Task Force) to measure the State's overall emissions from electric power plants and motor vehicles and to propose strategies and legislation to reduce emissions.

Life of the Land and the Alliance of Automobile Manufacturers testified in support of this measure. The Department of Health and the Public Utilities Commission supported the intent of this concurrent resolution. The Department of Business, Economic Development, and Tourism and the Hawaii Automobile Dealers Association offered comments. Hawaiian Electric Company, Inc., and its subsidiary utility companies, Maui Electric Company, Ltd. and Hawaii Electric Light Company, Inc., opposed this measure.

"Carbon trading" is one of the strategies that the Task Force may consider. It represents a voluntary attempt to create market incentives for energy companies, manufacturers, and governments to cut emissions by reducing and trading greenhouse gas emissions.

Your Committee has amended this concurrent resolution by:

- (1) Clarifying the impacts of reducing emissions from electric power plants;
- (2) Deleting Hawaii Energy Roundtable and the Hawaii Auto Alliance from the Task Force and inserting the Alliance of Automobile Manufacturers; and
- (3) Making technical, nonsubstantive amendments for the purpose of clarity and to correct factual errors.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 175, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 175, H.D. 1.

Signed by all members of the Committee except Representative Bukoski.

SCRep. 1249 Human Services and Housing/Health on S.C.R. No. 12

The purpose of this concurrent resolution is to request the Department of Health (DOH) to convene a task force to develop a plan for a graduated parenting program in the public schools.

DOH and the Department of Education supported the intent of this measure.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 12 and recommend that it be referred to the Committee on Education.

Signed by all members of the Committee except Representatives Nishimoto, Takai, Takumi, Ching and Finnegan.

SCRep. 1250 Human Services and Housing/Health on H.R. No. 163

The purpose of this resolution is to provide additional resources for Hawaii's hospitals in caring for the uninsured by requesting the Department of Human Services (DHS), with the assistance of Hawaii's congressional delegation, to restore the Disproportionate Share of Hospital Payments for compensation for care provided to the uninsured.

The Hawaii Government Employees Association AFSCME Local 152 AFL-CIO, United Public Workers AFSCME Local 646 AFL-CIO, Queen's Medical Center, Healthcare Association of Hawaii, and Hawaii Health Systems Corporation supported this measure. DHS offered 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 concur with the intent and purpose of H.R. No. 163 and recommend its adoption.

Signed by all members of the Committee except Representatives Shimabukuro, Takai, Takumi and Finnegan.

SCRep. 1251 Human Services and Housing/Health on H.C.R. No. 203

The purpose of this concurrent resolution is to provide additional resources for Hawaii's hospitals in caring for the uninsured by requesting the Department of Human Services (DHS), with the assistance of Hawaii's congressional delegation, to restore the Disproportionate Share of Hospital Payments for compensation for care provided to the uninsured.

The Hawaii Government Employees Association AFSCME Local 152 AFL-CIO, United Public Workers AFSCME Local 646 AFL-CIO, Queen's Medical Center, Healthcare Association of Hawaii, and Hawaii Health Systems Corporation supported this measure. DHS offered 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 concur with the intent and purpose of H.C.R. No. 203 and recommend its adoption.

Signed by all members of the Committee except Representatives Shimabukuro, Takai, Takumi and Finnegan.

SCRep. 1252 Legislative Management on H.C.R. No. 96

The purpose of this concurrent resolution is to continue the efforts of the Joint Senate-House Investigative Committee (Joint Committee) to investigate the State's compliance with the Felix Consent Decree.

The Department of Education supported the intent of this concurrent resolution.

The 2001 Legislature adopted Senate Concurrent Resolution No. 65, S.D. 1, H.D. 1, which established the Joint Committee and authorized it to continue its work until the end of the 2002 Regular Session. During the interim between the 2001 and 2002 Regular Sessions, the Joint Committee investigated the misidentification of Felix class members, questionable Felix-related expenditures, and potential conflicts of interest by individuals and entities involved with the Felix Consent Decree. In 2002, the Legislature adopted House Concurrent Resolution No. 7, H.D. 1, which extended the Joint Committee until June 30, 2003.

Your Committee finds that progress has been made with this investigation. A \$1,000,000 settlement announced on February 5, 2003, marked the first development in an investigation of suspected fraud, abuse, and overcharging. Recently, investigators with the Department of the Attorney General obtained a "no contest" plea from a therapeutic aide charged with ten felony counts of medical assistance fraud.

This measure:

- (1) Enables the Joint Committee to continue its work to June 30, 2004; and
- (2) Expands its authority to include:
 - (a) Alleged fraud, abuse, and overcharging in the implementation of the federal court order to improve services to Hawaii's special-needs students; and

- (b) The questioning of current and former members of the Felix Monitoring Project and the Felix Technical Assistance Panel.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 96 and recommends its adoption.

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

SCRep. 1253 Water, Land Use, and Hawaiian Affairs on H.R. No. 159

The purpose of this resolution is to support the preservation of the Hawaiian language and the perpetuation of its study and use.

The Office of Hawaiian Affairs testified in support of this resolution. The Department of Education supported the intent of this measure.

The waning use, understanding, and teaching of the Hawaiian language over the years has caused the gradual weakening of a living language. Your Committee notes that a resurgence in Hawaiian cultural awareness, sometimes called the "Hawaiian Renaissance", and increased interest in the Hawaiian language reached its peak in 1978 with the declaration of the Hawaiian language as one of two official languages of the State. Over the years, interest in Hawaiian language and culture has continued, and your Committee finds that it is imperative that the Hawaiian language is supported by the people of this State.

Your Committee has amended this measure by clarifying that the House of Representative's commitment to promoting the use of the Hawaiian language extends to all areas of life and not only to tourist attractions and the naming of objects.

As affirmed by the record of votes of the members of your Committee on Water, Land Use, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 159, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 159, H.D. 1.

Signed by all members of the Committee.

SCRep. 1254 Water, Land Use, and Hawaiian Affairs on H.C.R. No. 198

The purpose of this concurrent resolution is to support the preservation of the Hawaiian language and the perpetuation of its study and use.

The Office of Hawaiian Affairs testified in support of this concurrent resolution. The Department of Education supported the intent of this measure.

The waning use, understanding, and teaching of the Hawaiian language over the years has caused the gradual weakening of a living language. Your Committee notes that a resurgence in Hawaiian cultural awareness, sometimes called the "Hawaiian Renaissance", and increased interest in the Hawaiian language reached its peak in 1978 with the declaration of the Hawaiian language as one of two official languages of the State. Over the years, interest in Hawaiian language and culture has continued, and your Committee finds that it is imperative that the Hawaiian language is supported by the people of this State.

Your Committee has amended this measure by clarifying that the Legislature's commitment to promoting the use of the Hawaiian language extends to all areas of life and not only to tourist attractions and the naming of objects.

As affirmed by the record of votes of the members of your Committee on Water, Land Use, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 198, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 198, H.D. 1.

Signed by all members of the Committee.

SCRep. 1255 Water, Land Use, and Hawaiian Affairs on H.C.R. No. 81

The purpose of this concurrent resolution is to protect culturally and historically valuable land by requesting the Department of Land and Natural Resources (DLNR) to adopt administrative rules to preserve intact the leasehold recreation residence tracts within the Koke'e and Waimea Canyon State Parks.

In addition, this measure requests the Chairperson of the Board of Land and Natural Resources to:

- (1) Consider the leasehold recreation residence tracts within the Koke'e and Waimea Canyon State Parks for nomination to the Hawaii register of historic places and to the national register of historic places; and
- (2) Administer the recreation residence leases within the Koke'e and Waimea Canyon State Parks as historic preservation and restoration projects under section 171-36.2, Hawaii Revised Statutes (HRS).

The Koke'e Leaseholders Association, Koke'e Resource Conservation Program, and two concerned citizens supported this concurrent resolution. DLNR opposed this measure.

Your Committee has amended this measure by:

- (1) Clarifying that DLNR is requested to consider the adoption of administrative rules to preserve the leasehold recreation residence tracts within the Koke'e and Waimea Canyon State Parks;
- (2) Clarifying that the Chairperson of BLNR is requested to consider the administration of recreation residence leases within the Koke'e and Waimea Canyon State Parks in accordance with section 171-36.2, HRS; 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 Water, Land Use, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 81, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 81, H.D. 1.

Signed by all members of the Committee.

SCRep. 1256 Water, Land Use, and Hawaiian Affairs/Human Services and Housing on H.C.R. No. 119

The purpose of this concurrent resolution is to request the Department of Hawaiian Home Lands (DHHL) to investigate the appropriateness of the sale of awarded lots under certain conditions and to establish a policy regarding the sale of homes and lots by existing lessees that may include an appraisal at which price the lease could be offered to the next qualified beneficiary on the wait list.

The Office of Hawaiian Affairs testified in support of this measure. DHHL supported this measure with amendments.

Your Committees have amended this concurrent resolution by:

- (1) Deleting reference to time periods and amounts pertaining to the sale of awarded leases for purposes of accuracy and balance in describing the situation; and
- (2) Deleting various descriptions that may be perceived as inaccurate or exaggerated.

As affirmed by the records of votes of the members of your Committees on Water, Land Use, and Hawaiian Affairs and Human Services and Housing that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 119, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 119, H.D. 1.

Signed by all members of the Committee except Representatives Morita, Shimabukuro, Takai, Ching, Finnegan and Stonebraker.

SCRep. 1257 Judiciary on S.B. No. 368

The purpose of the bill is to incorporate "knowingly" as a state of mind alternative for the offenses of criminal property damage in the first or second degree.

The City and County of Honolulu Police Department testified in support of the bill. The Office of the Public Defender offered comments.

Your Committee finds there are several cases where the defendant is aware that property damage will occur as a result of their action but intentional property damage is not the motivating factor for the action. Your Committee believes that in these cases, defendants should be held responsible for their actions.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 368 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 Herkes and Pendleton.

SCRep. 1258 Health on S.B. No. 1469

The purpose of this bill is to provide for the confidentiality of communication in a peer support counseling session for law enforcement officers or emergency services personnel conducted by a law enforcement agency or by an emergency services provider.

The Honolulu Fire Department, Hawaii Fire Fighters Association, and State of Hawaii Organization of Police Officers testified in support of this measure.

Your Committee finds that peer support counseling sessions provide moral and emotional support to law enforcement and emergency services personnel who respond to stressful incidents and situations. Although confidentiality and privacy are critical to the success of the counseling programs, peer support communications are not statutorily protected. Your Committee believes that this measure will adequately provide such protection.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1469, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Nishimoto, Takai and Stonebraker.

SCRep. 1259 Finance on S.B. No. 1260

The purpose of this bill is to provide additional flexibility in preparing for public health emergencies by:

- (1) Exempting from Department of Agriculture (DOA) review and permit requirements, except the notification, labeling, and inspection requirements of section 150A-5, Hawaii Revised Statutes, the import of microorganisms by:
 - (A) The Department of Health (DOH) and Tripler Army Medical Center (TAMC) for their laboratories, under certain conditions; and
 - (B) Laboratories certified under the Clinical Laboratories Improvement Amendments of 1988 (42 U.S.C. 263 et seq.), under certain conditions;
- (2) Allowing DOH and TAMC to transfer, between their respective laboratories, any imported microorganism upon prior notification to DOA, but without DOA approval; and
- (3) Requiring prior DOA approval to transfer to other entities in the State, any microorganism imported under the provisions of this bill.

DOA and DOH supported this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1260, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Magaoy.

SCRep. 1260 Finance on S.B. No. 787

The purpose of this bill is to authorize the Governor, Mayors, or their designees, to provide paid leave to state or county employees who provide disaster relief services for the American Red Cross.

The Department of Defense, Hawaii State Chapter of the American Red Cross, Hawaii Government Employees Association, and Hawaii Nurses' Association submitted testimony in support of this bill. The Department of Human Resources Development submitted testimony in support of the intent of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 787 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 Mindo and Bukoski.

SCRep. 1261 Finance on S.B. No. 1258

The purpose of this bill is to retain the current selection process for the board of directors of the Agribusiness Development Corporation (ADC) by repealing provisions that establish the members of the Board of Agriculture (BOA) as the members of the board of directors of the ADC, effective July 1, 2005.

The ADC, Hawaii Agriculture Research Center, Hawaii Farm Bureau Federation, East Kauai Water Users' Cooperative, Maui County Farm Bureau, Pineapple Growers Association of Hawaii, Hawaiian Commercial & Sugar Company, and Saiva Siddhanta Church supported this bill.

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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1258, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1258, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Mindo and Bukoski.

SCRep. 1262 Finance on S.B. No. 1334

The purpose of this bill is to allow for continued oversight of the State's Internet portal by extending the repeal date of the Access Hawaii Committee to June 30, 2005.

The Department of Accounting and General Services supported this bill.

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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1334, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1334, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Mindo and Bukoski.

SCRep. 1263 Finance on S.B. No. 1413

The purpose of this bill is to extend the authorization for the Department of Land and Natural Resources (DLNR) to expend appropriations for the development of infrastructure in the Kikala-Keokea area on the island of Hawaii.

The Department of Land and Natural Resources and Office of Hawaiian Affairs testified in support of this bill.

Your Committee has amended this measure 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1413, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1413, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Mindo and Bukoski.

SCRep. 1264 Finance on S.B. No. 579

The purpose of this bill is to appropriate an unspecified amount of funds as a grant-in-aid to the Honolulu Police department for the development of a non-emergency report system, known as 3-1-1, to include:

- (1) A 3-1-1 call section to receive non-emergency phone requests;
- (2) A Honolulu police department web site to provide an on-line form to be filled out by the public;
- (3) District station police personnel to handle phone-in and walk-in requests for non-emergency services;

- (4) Improved 9-1-1 and 3-1-1 information in telephone directories to instruct the public on usage; and
- (5) An educational program on 3-1-1 non-emergency reporting.

The Honolulu Police Department and Department of the Prosecuting Attorney of the City and County of Honolulu testified in support of this measure. Verizon Hawaii supported the intent of this measure.

Your Committee has amended this measure by:

- (1) Inserting an appropriation of \$1 for the purpose of further discussion; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 579, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 579, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Mindo and Bukoski.

SCRep. 1265 Education on S.B. No. 69

The purpose of this bill is to include a representative from the Hawaii Teacher Standards Board (HTSB) on the Teacher Education Coordinating Committee (TECC).

The Department of Education, University of Hawaii College of Education, and HTSB submitted testimony in support of this bill. An individual submitted testimony in opposition to this bill.

Your Committee finds that current law does not require TECC to include a representative from HTSB. HTSB is the official licensing agency for teachers in the State and specializes in assessing teacher qualifications. Your Committee further finds that having representatives serving on TECC who specialize in teacher standards will help to ensure that all aspects of teacher preparation, recruitment, licensing, and hiring are well-coordinated.

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

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 69, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 69, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Evans, Arakaki, Kahikina and Morita.

SCRep. 1266 Finance on S.B. No. 540

The purpose of this bill is to support agricultural research and market development by appropriating:

- (1) \$2,500,000 for fiscal year (FY) 2003-2004 and \$2,500,000 for FY 2004-2005 as a grant-in-aid to the Hawaii Farm Bureau Federation (HFBF) to be apportioned as follows:
 - (A) \$2,000,000 for research and \$500,000 for market development for FY 2003-2004; and
 - (B) \$2,000,000 for research and \$500,000 for market development for FY 2004-2005;

and
- (2) \$217,232 for FY 2003-2004 and \$220,000 for FY 2004-2005 for certain pineapple research projects.

The HFBF, Hawaii Agriculture Research Center, Maui County Farm Bureau, Hawaii Forest Industry Association, Pineapple Growers Association of Hawaii, Gay & Robinson, Inc., Alexander and Baldwin, Inc., Hawaii Egg Producers Association, Jo Ann Johnston & Company, Hawaii Export Nursery Association, and the Commodity Advisory Group supported this bill. The Department of Agriculture and the University of Hawaii College of Tropical Agriculture and Human Resources supported the intent of this bill.

Your Committee has amended this measure by:

- (1) Changing the appropriation amounts of the grant-in-aid to HFBF to \$1 for each FY to promote further discussion;
- (2) Changing the appropriation amounts for pineapple research projects to \$1 for each FY to promote further discussion; and
- (3) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 540, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 540, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Magaoay.

SCRep. 1267 Finance on S.B. No. 789

The purpose of this bill is to:

- (1) Establish base monthly employer contribution rates for retiree health benefit plans beginning July 1, 2004;

- (2) Clarify that the employer's base composite monthly contribution shall be adjusted annually, beginning July 1, 2005;
- (3) Require the adjusted base monthly contribution to be computed using the actual contracted premium rate for Medicare and non-Medicare self and family health benefit plans with the highest actual contracted premium rate as of July 1, 2004; and
- (4) Appropriate \$12,500,000 for fiscal year 2004-2005 for additional employer contributions for state retiree health benefit plans.

The Department of Budget and Finance, Hawaii State Retired Teachers Association, Oahu Retired Teachers Association, and Hawaii State Teachers Association – Retired testified in support of this measure. The Hawaii State Teachers Association and Hawaii Government Employees Association Retirees Unit supported the intent of this measure.

Your Committee has amended this bill by changing the effective date to July 1, 2010, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 789, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 789, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Kaho'ohalahala, Bukoski and Jernigan.

SCRep. 1268 Finance on S.B. No. 1279

The purpose of this bill is to:

- (1) Expand the Tobacco Enforcement Special Fund (Enforcement Fund) to accept the allocated portion of the stamp fee designated to pay for the cost of enforcing the cigarette tax stamp;
- (2) Extend the ceiling of the Enforcement Fund to \$1,250,000 and transfer unencumbered and unexpended funds over that amount into the general fund;
- (3) Consolidate the Cigarette Tax Stamp Enforcement Special Fund with the Enforcement Fund;
- (4) Synchronize timing of the receipt of settlement moneys from the Tobacco Master Settlement and Tobacco Master Settlement Agreement to match the timing of revenues and expenses utilized; and
- (5) Appropriate funds for the administration and operation of tobacco enforcement activities.

The Attorney General testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing the appropriation amounts to \$1 to facilitate further discussion; and
- (2) Clarifying that the appropriation section takes effect on July 1, 2003.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1279, 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. 1279, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Nishimoto.

SCRep. 1269 Finance on S.B. No. 1381

The purpose of this bill is to make an emergency appropriation of \$1,000,000 to the Hawaii State Public Library System (HSPLS) to be expended for the operation of the Kapolei Public Library.

The Board of Education, HSPLS, and Estate of James Campbell testified in support of this measure.

Your Committee has amended this measure by:

- (1) Changing the appropriation to \$1 for the purpose of further discussion; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, conformity, 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. 1381, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1381, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Nishimoto.

SCRep. 1270 Finance on S.B. No. 1495

The purpose of this bill is to appropriate state funds to supplement federal funding for further development and planning of the Hawaii Drought Plan.

The Hawaii Agricultural Research Center, Hawaii Farm Bureau Federation, Maui County Farm Bureau, and Pineapple Growers Association of Hawaii testified in support of this measure. The Department of Agriculture and Department of Land and Natural Resources testified in support of the intent of this measure.

Your Committee has amended this bill by:

- (1) Changing the appropriation to \$1 for the purpose of further discussion; and

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1495, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1495, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Kaho`ohalahala, Bukoski and Jernigan.

SCRep. 1271 Finance on S.B. No. 205

The purpose of this bill is to facilitate stronger parental involvement in their children's education by establishing that public employees shall be eligible for at least two hours of paid leave, under certain conditions, to attend either:

- (1) A mutually-scheduled parent-teacher conference for children in grades kindergarten through twelve; or
- (2) A mutually-scheduled parent-caregiver conference for a preschool aged child attending a licensed child care center.

In addition, this bill:

- (1) Establishes a limit of no more than four conferences per child in a single calendar year; and
- (2) Requires that travel time be included as part of the two hours of paid leave permitted for each conference.

The Department of Human Resources Development offered comments.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 205, S.D. 3, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 205, S.D. 3, H.D. 2.

Signed by all members of the Committee except Representatives Kaho`ohalahala, Bukoski and Jernigan.

SCRep. 1272 Finance on S.B. No. 611

The purpose of this bill is to:

- (1) Set reasonable compensation for court-appointed counsel at \$90 per hour; and
- (2) Increase the maximum dollar amounts for fees.

The Judiciary, Office of the Public Defender, Hawaii State Bar Association, Hawaii Association of Criminal Defense Lawyers, and several concerned individuals testified in support of this bill. The Department of Budget and Finance and a concerned individual submitted comments.

Your Committee has amended this bill by changing the effective date to July 1, 2005.

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. 611, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 611, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Magaoay.
(Representative Jernigan voted no.)

SCRep. 1273 Finance on S.B. No. 768

The purpose of this bill is to reinstate binding arbitration for employees of collective bargaining units (2), (3), (4), (6), (8), and (13) in the event of an impasse between the employer and exclusive representative of the collective bargaining unit.

The Honolulu Police Department testified in support of this bill. The Hawaii Government Employees Association supported the intent of this measure. The Department of Human Resources Development, Department of the Attorney General, and Office of Collective Bargaining and Managed Competition opposed the bill.

Your Committee has amended this bill by changing the effective date to December 31, 2004.

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. 768, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 768, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Kaho`ohalahala, Bukoski and Jernigan.
(Representatives Meyer and Moses voted no.)

SCRep. 1274 Finance on S.B. No. 363

The purpose of this bill is to authorize any county board of water supply serving a population of 500,000 or more persons to implement an experimental civil service modernization project without the approval of the mayor.

The Department of Human Resources Development, Board of Water Supply of the City and County of Honolulu, Hawaii Government Employees Association, and a concerned individual testified in support of this bill. United Public Workers supported the intent of this measure. The Department of Human Resources of the City and County of Honolulu opposed this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 363, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Kaho'ohalahala, Bukoski and Jernigan.

SCRep. 1275 Finance on S.B. No. 534

The purpose of this bill is to support agricultural research and product development conducted by the University of Hawaii College of Tropical Agriculture and Human Resources (UH-CTAHR) by appropriating funds for various projects including, among other things:

- (1) Continued development of high-value agricultural products;
- (2) A breeding program to provide new agricultural products;
- (3) Assessment of local and export markets; and
- (4) Disease prevention programs.

The Office of Hawaiian Affairs, Hawaii Agriculture Research Center, Hawaii Farm Bureau Federation, Maui County Farm Bureau, Pacific International Center for High Technology Research, Hawaii Forest Industry Association, Pineapple Growers Association of Hawaii, Maui Pineapple Company, Ltd., Nalo Farms, Inc., Tropical Hawaiian Products, Kauai Coffee, Hawaiian Commercial & Sugar Company, Kilauea Agronomics, and a concerned citizen supported this bill. The Department of Agriculture and UH-CTAHR supported the intent of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 534, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Kaho'ohalahala, Bukoski and Jernigan.

SCRep. 1276 Finance on S.B. No. 1255

The purpose of this bill is to authorize the Department of Agriculture (DOA) to:

- (1) Enter into cooperative agreements with the United States Department of Agriculture or other agreements and contracts with private or public agencies for auditing, certification, and food safety services;
- (2) Certify seed concerning genetic purity, identity, quality, and condition in its capacity as the State's official seed certifying agency; and
- (3) Collect fees and expenses for certain inspection, certification, and audit services.

DOA testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1255, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Magaoy.

SCRep. 1277 Finance on S.B. No. 1306

The purpose of this bill is to provide the state Public Utilities Commission (PUC) with greater flexibility in recapturing the cost of providing intrastate telecommunications relay services in the State for persons with hearing and speech disabilities.

The Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, PUC, Disability and Communication Access Board, Assistive Technology Resource Centers of Hawaii, and several concerned citizens testified in support of this measure. Verizon Hawaii and Verizon Wireless commented on the bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1306, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Kaho'ohalahala, Bukoski and Jernigan.

SCRep. 1278 Finance on S.B. No. 38

The purpose of this bill is to mitigate the possible adverse effects that the war with Iraq may have on Hawaii's economy and people by:

- (1) Appropriating \$8,000,000 out of the Tourism Special Fund for the implementation of an integrated marketing plan by the Hawaii Tourism Authority (HTA) to market and promote Hawaii as a visitor destination; and
- (2) Requiring HTA to report to the Legislature on the implementation of the marketing plan and details on how the \$8,000,000 was expended.

HTA supported this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 38, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Kaho'ohalahala, Bukoski and Jernigan.

SCRep. 1279 Finance on S.B. No. 41

The purpose of this bill is to improve public access to government documents by requiring the Hawaii Tourism Authority (HTA) to provide disclosure of contracts and subcontracts that are funded with public funds, pursuant to the requirements of the Uniform Information Practices Act, chapter 92F, Hawaii Revised Statutes. In addition, this bill exempts certain records from the disclosure requirements to protect the competitive process or proprietary information.

HTA and the Building Industry Association of Hawaii supported this bill. The Office of Information Practices offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 41, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Kaho'ohalahala, Bukoski and Jernigan.

SCRep. 1280 Finance on S.B. No. 1139

The purpose of this bill is to improve educational services for parties involved in parentage actions, separating parents involved in matrimonial actions, and their minor children by:

- (1) Specifying that the filing fee surcharge for separating parties shall apply to matrimonial actions where either party has a minor child, or to family court proceedings related to parentage actions;
- (2) Raising the surcharge to \$50;
- (3) Allowing the court to collect the surcharge even after the surcharge has been initially waived; and
- (4) Specifying that the Parent Education Special Fund, into which the proceeds derived from the surcharge are deposited, shall be used solely to provide education on all islands for separating parents in matrimonial actions, parties in parentage actions, and their minor children.

The Judiciary supported this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1139, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Magaoay.
(Representative Meyer voted no.)

SCRep. 1281 Finance on S.B. No. 319

The purpose of this bill is to expand efforts to recycle food wastes by:

- (1) Requiring counties with a population of 500,000 or greater to establish a Food Waste Recycling Program (Program);
- (2) Authorizing the counties to assess an annual food waste recycling surcharge to fund the Program;
- (3) Appropriating an unspecified amount of money for the initial staffing and establishment of the Program;
- (4) Including a Program component as part of each county's integrated solid waste management plans; and
- (5) Specifying the county food waste recycling component requirements.

Eco Feed, Inc., and three concerned individuals testified in support of this bill. The Department of Education supported the intent of this measure. The Department of Health offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 319, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Kaho'ohalahala, Bukoski and Jernigan.
(Representatives Meyer and Moses voted no.)

SCRep. 1282 Finance on S.B. No. 337

The purpose of this bill is to authorize the Department of Education (DOE) to convert 42 full-time equivalent business assistant positions from temporary status to permanent status.

DOE supported this bill. The Hawaii Government Employees Association testified in support of the intent of the bill. The Hawaii State Teachers Association opposed the bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 337, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.
(Representatives Jernigan and Meyer voted no.)

SCRep. 1283 Finance on S.B. No. 1154

The purpose of this bill is to acknowledge the work of the Hui 'Imi Advisory Council (Council) in addressing social services issues important to the native Hawaiians by making the Council a permanent entity administratively attached to the Office of Hawaiian Affairs.

The Council comprised of representatives from various public and private organizations and agencies will:

- (1) Serve as a liaison between public and private entities serving the Hawaiian community in the planning and development of collaborative public and private endeavors;
- (2) Investigate issues affecting Hawaiians, including those described in the Hui 'Imi task force's report; and
- (3) Submit a report of findings and recommendations, including an action plan, to the Governor and Legislature prior to the convening of the Regular Session of 2005.

The Office of Hawaiian Affairs, Kamehameha Schools, ALU LIKE, and E Ola Mau testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1154, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Kaho'ohalahala, Bukoski and Jernigan.

SCRep. 1284 Finance on S.B. No. 550

The purpose of this bill is to expand and strengthen certification and enforcement provisions pertaining to the ownership and movement of agricultural commodities including:

- (1) Expanding the definition of "agricultural commodity" to include silvicultural products;
- (2) Removing monetary value and weight requirements to trigger the need for certification of ownership for any sale or resale of agriculture products, regardless of value or weight; and
- (3) Allowing any person authorized and designated by the Board of Agriculture to issue citations and summons for enforcement purposes.

The Department of Agriculture, Hawaii Agriculture Research Center, Hawaii Farm Bureau, Hawaii Forest Industry Association, and Pineapple Growers Association of Hawaii testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 550, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Magaoy.

SCRep. 1285 Finance on S.B. No. 1256

The purpose of this bill is to extend the deadline for the Chairperson of the Board of Agriculture to submit the State Agricultural Water Use and Development Plan to the Legislature.

The Department of Agriculture, Hawaii Agriculture Research Center, Maui County Farm Bureau, and Pineapple Growers Association of Hawaii testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1256, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Kaho'ohalahala, Bukoski and Jernigan.

SCRep. 1286 Finance on S.B. No. 1415

The purpose of this bill is to further protect conservation districts by clarifying that the Department of Land and Natural Resources (DLNR) may:

- (1) Impose fines for violations occurring within conservation districts;
- (2) Require payment of land or habitat restorative costs from persons violating the conservation district; and
- (3) Allow for verbal notification to serve as a notice of violation.

DLNR testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1415 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Kaho'ohalahala, Bukoski and Jernigan.

SCRep. 1287 Water, Land Use, and Hawaiian Affairs/Energy and Environmental Protection on H.C.R. No. 201

The purpose of this concurrent resolution is to request the Auditor to assess the adequacy of existing land use policies that determine the siting of landfills.

Life of the Land and a concerned individual offered comments.

Your Committees have amended this measure by:

- (1) Requesting the Auditor to expand its investigation to address:
 - (a) Provisions of the federal Safe Drinking Water Act;
 - (b) Provisions of state and county codes focusing on the siting of landfills;
 - (c) The potential risk of siting landfills over sole-source aquifers;

- (d) The track record of public and private waste disposal programs; and
 - (e) Issues of environmental justice, that is, no community should shoulder more than its fair share of landfills because of its lack of political or economic power or influence;
- 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 Water, Land Use, and Hawaiian Affairs and Energy and Environmental Protection that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 201, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 201, H.D. 1.

Signed by all members of the Committee.

SCRep. 1288 Education on H.C.R. No. 8

The purpose of this resolution is to request the establishment of a task force on graduated parenting.

Your Committee heard testimony in support of the resolution from the Department of Education.

Your Committee finds parental support to be one of the most important factors for student success. Your Committee further finds that this task force could be compatible with a variety of programs and workshops already being offered by the Department of Education to assist parents in providing such support.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 8 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morita, Schatz, Blundell, Ching and Ontai.

SCRep. 1289 Education on H.C.R. No. 154

The purpose of this measure is to request the Legislative Reference Bureau to research options for establishing a dedicated funding mechanism to implement the public purpose and responsibilities as specified in Act 77, Session Laws of Hawaii 1997, relating to early childhood education and care.

Your Committee received testimony from the Good Beginnings Alliance and the Department of Education in support of this measure. The Legislative Reference Bureau submitted comments.

Your Committee finds that Act 77, Session Laws of Hawaii 1997, authorized a nonprofit corporation to receive public funds to implement its purpose of coordinating early childhood education and care services among the state agencies. However, the operation of the nonprofit corporation needs to be funded and supported partly by annual requests for public funding from the Legislature. Your Committee finds that a dedicated mechanism of providing public funding for the nonprofit corporation's operation is necessary.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 154 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morita, Schatz, Blundell and Ontai.

SCRep. 1290 Education on H.R. No. 126

The purpose of this measure is to request that the Board of Education, Department of Education, and the Hawaii State Public Library System develop a strategic plan to separate public and school libraries in a manner that will ultimately enhance levels of service for the community and students.

Your Committee received testimony in support of this measure from the Hawaii State Public Library System. The Department of Education submitted testimony that supported the intent of this measure.

Your Committee finds that public and school libraries ensure that access to information is readily available in many rural areas. Your Committee also finds that there are concerns regarding the use of school libraries by the general public during school hours. These concerns include:

- (1) Liability and safety concerns over the general public entering school campuses to access the library; and
- (2) School employees unable to monitor who is on the campus; and
- (3) School children sharing facilities with the general public, which limits the available resources to students and creates a distracting learning environment.

Your Committee further finds that the Board of Education, Department of Education, and the Hawaii State Public Library System recently agreed that combined public and school libraries should be separated.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 126 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morita, Schatz, Blundell and Ontai.

SCRep. 1291 Education on H.C.R. No. 161

The purpose of this measure is to request that the Board of Education, Department of Education, and the Hawaii State Public Library System develop a strategic plan to separate public and school libraries in a manner that will ultimately enhance levels of service for the community and students.

Your Committee received testimony in support of this measure from the Hawaii State Public Library System. The Department of Education submitted testimony that supported the intent of this measure.

Your Committee finds that public and school libraries ensure that access to information is readily available in many rural areas. Your Committee also finds that there are concerns regarding the use of school libraries by the general public during school hours. These concerns include:

- (1) Liability and safety concerns over the general public entering school campuses to access the library; and
- (2) School employees unable to monitor who is on the campus; and
- (3) School children sharing facilities with the general public, which limits the available resources to students and creates a distracting learning environment.

Your Committee further finds that the Board of Education, Department of Education, and the Hawaii State Public Library System recently agreed that combined public and school libraries should be separated.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 161 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morita, Schatz, Blundell and Ontai.

SCRep. 1292 Education on H.R. No. 102

The purpose of this measure is to request the Department of Education to enter into a real estate transaction agreement for a new elementary school in Maui.

Your Committee received testimony in favor of this measure from the Maui County Office of the Mayor, a member of the Maui County Council, and Maui Lani School, LLC. The Department of Education submitted testimony in support with reservations.

Your Committee finds that the central Maui community is rapidly growing. To address the community's needs the Department of Education and a private developer are currently discussing plans for a new school. Your Committee further finds that the opening of a school would be expedited if the Department of Education and the developer were to enter into a real estate transaction agreement.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 102 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morita, Schatz, Blundell and Ontai.

SCRep. 1293 Education on H.C.R. No. 117

The purpose of this measure is to request the Department of Education to enter into a real estate transaction agreement for a new elementary school in Maui.

Your Committee received testimony in favor of this measure from the Maui County Office of the Mayor, a member of the Maui County Council, and Maui Lani School, LLC. The Department of Education submitted testimony in support with reservations.

Your Committee finds that the central Maui community is rapidly growing. To address the community's needs the Department of Education and a private developer are currently discussing plans for a new school. Your Committee further finds that the opening of a school would be expedited if the Department of Education and the developer were to enter into a real estate transaction agreement.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 117 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morita, Schatz, Blundell and Ontai.

SCRep. 1294 Education on H.R. No. 149

The purpose of this resolution is to urge the Department of Education to implement career pathways as a part of a school reform model to include the redesign of career and technical education that is reflective of economic development initiatives and priorities.

Your Committee received testimony in support of the resolution from the University of Hawaii State Director for Career and Technical Education.

Your Committee finds that Hawaii's economic future is dependent upon the quality of its workforce. Your Committee further finds that the redesign of career and technical education will provide a means of developing and retraining administrators and school staff, in partnership with the University of Hawaii and the private sector, to develop a teaching corps capable of integrating rigorous academics with highly relevant occupational preparation.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 149 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morita, Schatz, Blundell and Ontai.

SCRep. 1295 Education on H.C.R. No. 185

The purpose of this resolution is to urge the Department of Education to implement career pathways as a part of a school reform model to include the redesign of career and technical education that is reflective of economic development initiatives and priorities.

Your Committee received testimony in support of the resolution from the University of Hawaii State Director for Career and Technical Education.

Your Committee finds that Hawaii's economic future is dependent upon the quality of its workforce. Your Committee further finds that the redesign of career and technical education will provide a means of developing and retraining administrators and school staff, in partnership with the University of Hawaii and the private sector, to develop a teaching corps capable of integrating rigorous academics with highly relevant occupational preparation.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 185 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morita, Schatz, Blundell and Ontai.

SCRep. 1296 Education on H.R. No. 150

The purpose of this measure is to request that the Department of Education enter into an agreement with Theodora Mallick for the construction of the Pahoa School Gymnasium.

Your Committee received testimony in support of this measure from the Department of Education, highlighting some of their concerns.

Your Committee finds that a gymnasium would benefit the Pahoa High and Intermediate school students. In the past, there have been amenable situations where private landowners have entered into agreements to construct buildings that would later be owned by the State.

Your Committee has made the following amendments to this measure suggested by the Department of Education to clarify certain points:

- (1) Specify that the budget request of \$4,500,000 is to cover not only the cost of the gym but also the cost of the land that the gym would be located on; and
- (2) Make clear that the resolution be contingent upon the appropriation of \$4,500,000 to the DOE's 2003-2005 budget for the purposes of buying the gym and the property that it should stand on.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 150, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 150, H.D. 1.

Signed by all members of the Committee except Representatives Morita, Schatz, Blundell and Ontai.

SCRep. 1297 Education on H.C.R. No. 186

The purpose of this measure is to request that the Department of Education enter into an agreement with Theodora Mallick for the construction of the Pahoa School Gymnasium.

Your Committee received testimony in support of this measure from the Department of Education, highlighting some of their concerns.

Your Committee finds that a gymnasium would benefit the Pahoa High and Intermediate school students. In the past, there have been amenable situations where private landowners have entered into agreements to construct buildings that would later be owned by the State.

Your Committee has made the following amendments to this measure suggested by the Department of Education to clarify certain points:

- (1) Specify that the budget request of \$4,500,000 is to cover not only the cost of the gym but also the cost of the land that the gym would be located on; and
- (2) Make clear that the resolution be contingent upon the appropriation of \$4,500,000 to the DOE's 2003-2005 budget for the purposes of buying the gym and the property that it should stand on.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 186, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 186, H.D. 1.

Signed by all members of the Committee except Representatives Morita, Schatz, Blundell and Ontai.

SCRep. 1298 Education on H.R. No. 6

The purpose of this measure as received is to request the Department of Education to implement a pilot project for the construction of new school facilities through public-private partnerships. For the purposes of receiving testimony and discussion in a public hearing your Committee circulated a proposed draft the purpose of which is to request the superintendent of education to conduct a study on the implementation of school/community-based management(SCBM) and alternative systems.

Your Committee received testimony in support of this measure from the Department of Education. The Hawaii Government Employees Association and the Hawaii Business Roundtable submitted testimony which supported the intent of this measure.

Your Committee finds that the Board of Education and the Department are currently discussing the status of SCBM implementation statewide and whether SCBM is a viable means to foster school reform.

Your Committee has amended this measure by deleting its contents and inserting a draft which requests the superintendent of education to conduct a study on the implementation of SCBM and alternative systems.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 6, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 6, H.D. 1.

Signed by all members of the Committee except Representatives Morita, Schatz, Blundell and Ontai.

SCRep. 1299 Education on H.C.R. No. 3

The purpose of this measure as received is to request the Department of Education to implement a pilot project for the construction of new school facilities through public-private partnerships. For the purposes of receiving testimony and discussion in a public hearing your Committee circulated a proposed draft the purpose of which is to request the superintendent of education to conduct a study on the implementation of school/community-based management(SCBM) and alternative systems.

Your Committee received testimony in support of this measure from the Department of Education. The Hawaii Government Employees Association and the Hawaii Business Roundtable submitted testimony which supported the intent of this measure.

Your Committee finds that the Board of Education and the Department are currently discussing the status of SCBM implementation statewide and whether SCBM is a viable means to foster school reform.

Your Committee has amended this measure by deleting its contents and inserting a draft which requests the superintendent of education to conduct a study on the implementation of SCBM and alternative systems.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 3, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 3, H.D. 1.

Signed by all members of the Committee except Representatives Morita, Schatz, Blundell and Ontai.

SCRep. 1300 Education on H.R. No. 118

The purpose of this measure is to urge the Board of Education and the Superintendent of Education to decline any further participation in the "No Child Left Behind Act of 2001" and to return all Title I program moneys conditioned on the implementation of the Act by the State of Hawaii.

Your Committee received testimony in support of this measure from several Department of Education personnel and students. The Department of Education and a concerned individual submitted testimony in opposition to this measure.

Your Committee finds that the education of Hawaii's youth is of utmost importance, however that although the "No Child Left Behind Act" was touted as being a sure way of raising education standards, that the funding behind the Act's implementation has been undercut. Your Committee further finds that the State of Hawaii's public school system is faced with unfair odds under the provisions of the "No Child Behind Act." Your Committee sympathizes with the plight of educators in Hawaii and would like to send a strong message to the Board of Education and the Department of Education that the Legislature recognizes the unfairness of the Act.

Your Committee has amended this measure by clarifying that this measure is to urge the Department of Education to consider not participating in the "NO CHILD LEFT BEHIND ACT" and to return all funds that are conditioned on the provisions of the Act. The following changes have been made to reflect these amendments:

- (1) The title has been amended to read: "URGING THE BOARD OF EDUCATION AND THE SUPERINTENDENT OF EDUCATION TO CONSIDER DECLINING ANY FURTHER PARTICIPATION IN THE "NO CHILD LEFT BEHIND ACT OF 2001" AND TO RETURN ALL FEDERAL FUNDS CONDITIONED ON THE IMPLEMENTATION OF THE ACT BY THE STATE OF HAWAII."; and
- (2) Correcting the estimated additional funding dollar amount on page 3, line 17, to be \$260,700,000; and
- (3) Changing lines 36-41 to reflect the title change.

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

Signed by all members of the Committee except Representatives Morita, Schatz, Blundell, Ching and Ontai.

SCRep. 1301 Education on H.C.R. No. 147

The purpose of this measure is to urge the Board of Education and the Superintendent of Education to decline any further participation in the "No Child Left Behind Act of 2001" and to return all Title I program moneys conditioned on the implementation of the Act by the State of Hawaii.

Your Committee received testimony in support of this measure from several Department of Education personnel and students. The Department of Education and a concerned individual submitted testimony in opposition to this measure.

Your Committee finds that the education of Hawaii's youth is of utmost importance, however that although the "No Child Left Behind Act" was touted as being a sure way of raising education standards, that the funding behind the Act's implementation has been undercut. Your Committee further finds that the State of Hawaii's public school system is faced with unfair odds under the provisions of the "No Child Behind Act." Your Committee sympathizes with the plight of educators in Hawaii and would like to send a strong message to the Board of Education and the Department of Education that the Legislature recognizes the unfairness of the Act.

Your Committee has amended this measure by clarifying that this measure is to urge the Department of Education to consider not participating in the "NO CHILD LEFT BEHIND ACT" and to return all funds that are conditioned on the provisions of the Act. The following changes have been made to reflect these amendments:

- (1) The title has been amended to read: "URGING THE BOARD OF EDUCATION AND THE SUPERINTENDENT OF EDUCATION TO CONSIDER DECLINING ANY FURTHER PARTICIPATION

IN THE "NO CHILD LEFT BEHIND ACT OF 2001" AND TO RETURN ALL FEDERAL FUNDS CONDITIONED ON THE IMPLEMENTATION OF THE ACT BY THE STATE OF HAWAII."; and

- (2) Correcting the estimated additional funding dollar amount on page 3, line 17, to be \$260,700,000; and
- (3) Changing lines 36-41 to reflect the title change.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 147, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 147, H.D. 1.

Signed by all members of the Committee except Representatives Morita, Schatz, Blundell, Ching and Ontai.

SCRep. 1302 Water, Land Use, and Hawaiian Affairs on H.C.R. No. 33

The purpose of this concurrent resolution is to submit for legislative review information on the land exchange between the State and the Aloha Council of the Boy Scouts of America.

The Department of Land and Natural Resources (DLNR) testified in support of this measure.

Your Committee finds that this concurrent resolution meets the requirements set forth in Section 171-50, Hawaii Revised Statutes, requiring DLNR to submit, twenty days prior to the start of any regular or special session, a resolution for review of action taken by BLNR on exchanges of land.

Your Committee has amended this measure 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 Water, Land Use, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 33, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 33, H.D. 1.

Signed by all members of the Committee.

SCRep. 1303 Health on H.C.R. No. 165

The purpose of this concurrent resolution is to request the Auditor to conduct an audit of operations and expenditures involving the Kalaupapa Settlement, including addressing the concerns and issues raised in this measure and other concerns that may be ascertained during the audit.

Many residents of the Kalaupapa Settlement testified in support of this concurrent resolution. The Department of Health supported the intent of this measure.

Your Committee finds that many years ago, Hansen's disease patients were forced into exile at Kalaupapa Settlement to be isolated from society. While the patients are now free to come and go as they please, the State has acknowledged the injustice that occurred and has pledged that the remaining patients may live out their lives at Kalaupapa, their home, and has committed to caring for them.

Your Committee further finds that there are approximately 41 patients living in Kalaupapa and there are an estimated 49 state workers in Kalaupapa, all of whom are believed to be necessary because the State operates all of the services in Kalaupapa, including the community store, service station, and the hospital.

However, there are numerous allegations of excessive or inappropriate expenditures and of preferential treatment toward the workers. While your Committee does not question the need for the workers in Kalaupapa, the expenditures relating to the workers do raise concerns. Your Committee believes an audit is necessary to ensure that the funds allocated to Kalaupapa are expended for their true purpose: to care for the remaining patients who have chosen to live the rest of their lives in a town that is their home.

Your Committee has amended this concurrent resolution by:

- (1) Correcting a misspelled word; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 165, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 165, H.D. 1.

Signed by all members of the Committee except Representatives Nishimoto, Takai, Takumi and Finnegan.

SCRep. 1304 Health/Human Services and Housing on H.R. No. 109

The purpose of this resolution is to request the Executive Office on Aging to establish an Advisory Commission on Hawaii Palliative Care and Pain Management (Commission) to provide Hawaii residents with access to the highest possible quality of palliative care and pain management.

The Hawaii Catholic Conference, Hawaii Psychiatric Medical Association, Compassion in Dying, Hawaii Medical Association, Hawaii Family Forum, and a concerned individual testified in support of this measure. The Executive Office on Aging opposed this measure.

Your Committees have amended this resolution by:

- (1) Changing its title to read: "REQUESTING THE DEPARTMENT OF HEALTH TO ESTABLISH AN ADVISORY COMMISSION ON HAWAII PALLIATIVE CARE AND PAIN MANAGEMENT";
- (2) Requesting the Department of Health (DOH) to establish the Commission;

- (3) Allowing DOH to determine the number of members on the Commission;
- (4) Including representatives from each of the counties, adult residential care homes, hospice programs, pharmacists, doctors, and nurses on the Commission;
- (5) Sending certified copies of this resolution to the Executive Director of the Hawaii Medical Association and President of the Hawaii Nurses' Association; and
- (6) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Housing that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 109, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 109, H.D. 1.

Signed by all members of the Committee except Representatives Takai, Takumi and Finnegan.

SCRep. 1305 Health/Human Services and Housing on H.C.R. No. 132

The purpose of this concurrent resolution is to request the Executive Office on Aging to establish an Advisory Commission on Hawaii Palliative Care and Pain Management (Commission) to provide Hawaii residents with access to the highest possible quality of palliative care and pain management.

The Hawaii Catholic Conference, Hawaii Psychiatric Medical Association, Compassion in Dying, Hawaii Medical Association, Hawaii Family Forum, and a concerned individual testified in support of this measure. The Executive Office on Aging opposed this measure.

Your Committees have amended this concurrent resolution by:

- (1) Changing its title to read: "REQUESTING THE DEPARTMENT OF HEALTH TO ESTABLISH AN ADVISORY COMMISSION ON HAWAII PALLIATIVE CARE AND PAIN MANAGEMENT";
- (2) Requesting the Department of Health (DOH) to establish the Commission;
- (3) Allowing DOH to determine the number of members on the Commission;
- (4) Including representatives from each of the counties, adult residential care homes, hospice programs, pharmacists, doctors, and nurses on the Commission;
- (5) Sending certified copies of this concurrent resolution to the Executive Director of the Hawaii Medical Association and President of the Hawaii Nurses' Association; and
- (6) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Housing that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 132, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 132, H.D. 1.

Signed by all members of the Committee except Representatives Takai, Takumi and Finnegan.

SCRep. 1306 Water, Land Use, and Hawaiian Affairs on H.C.R. No. 141

The purpose of this concurrent resolution is to request the Hawaii Community Development Authority (HCDA) to reconsider the existing Kalaeloa Redevelopment Plan and make revisions as necessary to maximize the social and economic development potential of the Kalaeloa Community Development District.

HCDA testified in support of this measure.

Barbers Point Naval Air Station (Barbers Point), also known as Kalaeloa, was transferred to HCDA in 2002, after Barbers Point was named as one of the bases being closed under the Federal Base Realignment and Closure Act. Your Committee finds that the lands at Kalaeloa offer significant potential for industries such as biotechnology, deep ocean research, aviation education, film making, industrial education, eco-tourism, and vocational and higher education, and would allow Hawaii to expand its employment base and develop new industries.

Your Committee has amended this measure by:

- (1) Inserting language stating that an essential consideration in the long term success of Kalaeloa is the incorporation of an energy efficiency technology component in the redevelopment plan; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land Use, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 141, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 141, H.D. 1.

Signed by all members of the Committee.

SCRep. 1307 Education on H.R. No. 93

The purpose of this resolution is to request the Department of Education to develop ways to increase parental involvement on a school-by-school basis.

Your Committee received testimony in support of the resolution from the Department of Education.

Your Committee finds that fostering parental involvement is a crucial means of improving student achievement. Your Committee further finds that this resolution is consistent with efforts already underway within the Department of Education to increase parental involvement in education, which allow each school to determine the group or committee that will do so.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 93 and recommends its adoption.

Signed by all members of the Committee except Representatives Morita, Schatz, Blundell, Ching and Ontai.

SCRep. 1308 Education on H.C.R. No. 208

The purpose of this measure is to urge Congress to recognize the merits and successes of the Head Start Program and to reject any proposal to limit the program's scope or to move it from the U.S. Department of Health and Human Services to the Department of Education.

Your Committee received testimony in support of this measure from the Good Beginnings Alliance and the Hawaii Association for the Education of Young Children.

Your Committee finds that the Head Start program is more than just an early education program and that it covers many aspects of the welfare of young children. Your Committee further finds that the U.S. Department of Health and Human Services is better equipped to address the needs of these young children and that a transfer of these responsibilities to the Department of Education would be detrimental to the program's objectives.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 208 and recommends its adoption.

Signed by all members of the Committee except Representatives Morita, Schatz, Blundell and Ontai.

SCRep. 1309 Education on H.R. No. 117

The purpose of this resolution is to request members of Hawaii's Congressional delegation to work to obtain additional funds necessary to meet the mandates of the Federal "No Child Left Behind Act of 2001."

Your Committee heard testimony in support of the measure from the Hawaii State Teachers Association.

Your Committee finds that the Federal government has failed to live up to its pledge to provide additional support to states to assist them in the implementation of the No Child Left Behind Act. Your Committee further finds it unreasonable to expect schools to foster higher academic standards and hold them accountable for results absent the investment necessary to bring it about.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 117 and recommends its adoption.

Signed by all members of the Committee except Representatives Morita, Schatz, Blundell, Ching and Ontai.

SCRep. 1310 Education on H.C.R. No. 146

The purpose of this resolution is to request members of Hawaii's Congressional delegation to work to obtain additional funds necessary to meet the mandates of the Federal "No Child Left Behind Act of 2001."

Your Committee heard testimony in support of the measure from the Hawaii State Teachers Association.

Your Committee finds that the Federal government has failed to live up to its pledge to provide additional support to states to assist them in the implementation of the No Child Left Behind Act. Your Committee further finds it unreasonable to expect schools to foster higher academic standards and hold them accountable for results absent the investment necessary to bring it about.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 146 and recommends its adoption.

Signed by all members of the Committee except Representatives Morita, Schatz, Blundell, Ching and Ontai.

SCRep. 1311 Education on H.R. No. 125

The purpose of this bill is to designate April 2003 as financial literacy for youth in Hawaii month.

The Department of Education and the Hawaii Credit Union League submitted testimony in support of this measure.

Your Committee finds that consumer bankruptcy filings in the United States increased in 2001 by 19 percent over those in the previous year and that home foreclosures reached their highest rate in 30 years in 2002. Your Committee further finds that financial literacy empowers individuals to make wise financial decisions.

Your Committee has amended this measure by designating April as financial literacy month and removing the specified year.

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

Signed by all members of the Committee except Representatives Morita, Schatz, Blundell and Ontai.

SCRep. 1312 Education on H.C.R. No. 160

The purpose of this bill is to designate April 2003 as financial literacy for youth in Hawaii month.

The Department of Education and the Hawaii Credit Union League submitted testimony in support of this measure.

Your Committee finds that consumer bankruptcy filings in the United States increased in 2001 by 19 percent over those in the previous year and that home foreclosures reached their highest rate in 30 years in 2002. Your Committee further finds that financial literacy empowers individuals to make wise financial decisions.

Your Committee has amended this measure by designating April as financial literacy month and removing the specified year.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 160, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 160, H.D. 1.

Signed by all members of the Committee except Representatives Morita, Schatz, Blundell and Ontai.

SCRep. 1313 Agriculture on H.R. No. 168

The purpose of this resolution is to support Hawaii-grown chocolate and recognize the benefits Hawaii-grown chocolate could bring to our economy through job creation and revenue generation in diversified agriculture, production, and processing industries.

The Hawaii Agriculture Research Center, a member of the House of Representatives, Hawaii Gold Cacao Tree, Inc., Hakalau Farm & Nursery, Pineapple Growers Association of Hawaii, and ten concerned citizens supported this measure.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 168 and recommends its adoption.

Signed by all members of the Committee except Representatives Karamatsu, B. Oshiro, Schatz and Tamayo.

SCRep. 1314 Agriculture on H.C.R. No. 216

The purpose of this concurrent resolution is to support Hawaii-grown chocolate and recognize the benefits Hawaii-grown chocolate could bring to our economy through job creation and revenue generation in diversified agriculture, production, and processing industries.

The Hawaii Agriculture Research Center, a member of the House of Representatives, Hawaii Gold Cacao Tree, Inc., Hakalau Farm & Nursery, Pineapple Growers Association of Hawaii, and ten concerned citizens supported this measure.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 216 and recommends its adoption.

Signed by all members of the Committee except Representatives Karamatsu, B. Oshiro, Schatz and Tamayo.

SCRep. 1315 Judiciary on S.B. No. 933

The purpose of the bill is to:

- (1) Amend the offense of harassment by stalking by requiring more than one occurrence of a course of conduct that is without legitimate purpose;
- (2) Repeal the distinction that a single occurrence of a prohibited conduct is a petty misdemeanor;
- (3) Delete the requirement of violations of court orders for the offense of aggravated harassment by stalking; and
- (4) Amend the offense of aggravated harassment by stalking to require two occurrences of misdemeanor stalking within ten years.

The Department of the Prosecuting Attorney for the City and County of Honolulu, the Department of the Prosecuting Attorney for the county of Maui, the Honolulu Police Department, the Domestic Violence Clearinghouse and Legal Hotline, Women Helping Women, Hawaii Family Forum, Hawaii State Coalition Against Domestic Violence and a concerned individual testified in support of this bill. The Office of the Public Defender opposed the measure.

Your Committee finds that this measure will strengthen the laws against stalking.

Your Committee has amended this bill by:

- (1) Making the offense of aggravated harassment require two offenses of harassment to occur within a five year period;
- (2) Deleting from the definition of "non-consensual contact" the element of direct personal contact; and
- (3) Making technical, nonsubstantive amendments for consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 933, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 933, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Herkes and Pendleton.

SCRep. 1316 Judiciary on S.B. No. 1107

The purpose of the bill is to:

- (1) Redefine the offense of disorderly conduct; and

- (2) Expand the scope of privacy violation to include recording or broadcasting without consent a person's intimate area underneath clothing while in a public place.

The Department of the Prosecuting Attorney for the City and County of Honolulu and the Honolulu Police Department testified in support of this bill. The Office of the Public Defender expressed concerns.

Your Committee finds that advancement in technology has provided opportunity for "video voyeurism" in public places. A change in the offense of violation of privacy will address the growing concern for the offensive practice of "upskirt photography."

Your Committee has amended this bill by requiring that covert recordings and broadcasting be prohibited.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1107, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1107, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Herkes and Pendleton.

SCRep. 1317 Consumer Protection and Commerce/Judiciary on S.B. No. 1201

The purpose of this bill is to restore regulatory licensing of motor vehicle manufacturers and motor vehicle distributors by articulating in the statutes, prohibited practices related to franchising, and granting both distributors and dealers the right to recover certain specified damages for violation of those prohibitions.

Testimony in support of this bill was submitted by the Hawaii Automobile Dealers Association. The Department of Commerce and Consumer Affairs (DCCA) supported the intent of the measure, and offered amendments. Alliance of Automobile Manufacturers commented on the measure.

Your Committees believe that restoration of manufacturer and distributor licensing will provide protection for dealers in their dealings with manufacturers and distributors, and for distributors in their dealings with manufacturers. Your Committees find that passage of this bill will bring Hawaii into the overwhelming majority of states that maintain motor vehicle franchise protection laws for their locally-owned businesses and will protect the investments of local motor vehicle dealers in their franchises, while shielding customers from inflated new motor vehicle costs.

DCCA and affected parties have been working together through the session and have reached an agreement supported by all parties regarding regulation under this bill. Your Committees are in support of their agreement, and have amended this measure by:

- (1) Clarifying that "distributors" and "manufacturers" will be licensed, and deleting references to entities that are no longer licensed;
- (2) Providing a fee schedule; and
- (3) Making technical amendments for purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1201, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1201, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Chang, Herkes, Ito, M. Oshiro, Pendleton, Stonebraker and Thielen.

SCRep. 1318 Finance on S.B. No. 1438

The purpose of this bill is to appropriate or authorize funds for:

- (1) All collective bargaining cost items in the agreement negotiated with Collective Bargaining Unit 1 (Unit 1); and
- (2) Salary increases and other cost adjustments for Unit 1's excluded counterparts.

The Office of Collective Bargaining and Managed Competition supported this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to upon its approval; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1438, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1438, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Mindo and Bukoski.

SCRep. 1319 Finance on S.B. No. 1439

The purpose of this bill is to appropriate funds for salary increases and other cost items and adjustments for:

- (1) Collective bargaining units (2), (3), (4), (6), (8), (9), and (13);
- (2) State officers and employees in the executive branch and judicial branch that are excluded from collective bargaining; and
- (3) Employees of the Hawaii Health Systems Corporation.

The Office of Collective Bargaining and Managed Competition and Hawaii Government Employees Association testified in support of this measure.

Your Committee has amended this bill by:

- (1) Changing the effective date to be effective upon its approval; and
- (2) Making technical, nonsubstantive amendments for purpose of clarity, consistency, 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. 1439, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1439, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Mindo and Bukoski.

SCRep. 1320 Finance on S.B. No. 1440

The purpose of this bill is to appropriate funds for fiscal biennium 2003-2005 for salary increases and other cost items and adjustments for:

- (1) Collective bargaining unit (5); and
- (2) State officers and employees in the Department of Education that are excluded from collective bargaining.

The Office of Collective Bargaining and Managed Competition and Hawaii State Teachers Association testified in support of this measure.

Your Committee has amended this bill by:

- (1) Making it effective upon its approval; and
- (2) Making a technical, nonsubstantive amendment for purposes of consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1440, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1440, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Mindo and Bukoski.

SCRep. 1321 Finance on S.B. No. 1441

The purpose of this bill is to appropriate funds for salary increases and other cost items and adjustments for:

- (1) Collective bargaining unit (7); and
- (2) State officers and employees excluded from collective bargaining.

The Office of Collective Bargaining and Managed Competition testified in support of this measure.

Your Committee has amended this bill by:

- (1) Making it effective upon its approval; and
- (2) Making a technical, nonsubstantive amendment for the purpose 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. 1441, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1441, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Mindo and Bukoski.

SCRep. 1322 Finance on S.B. No. 1442

The purpose of this bill is to appropriate funds for salary increases and other cost items and adjustments for:

- (1) Collective bargaining unit (10) and excluded counterparts; and
- (2) Collective bargaining unit (10) employees assigned to the Hawaii Health Systems Corporation.

The Office of Collective Bargaining and Managed Competition testified in support of this measure.

Your Committee has amended this bill by making it effective upon its approval.

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. 1442, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1442, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Mindo and Bukoski.

SCRep. 1323 Finance on S.B. No. 1443

The purpose of this bill is to appropriate an unspecified amount of funds for the purposes of funding:

- (1) Collective bargaining cost items of collective bargaining unit (11); and
- (2) Salary increases and other cost adjustments authorized for state officers and employees excluded from collective bargaining.

The Office of Collective Bargaining testified in support of this measure.

Your Committee has amended this bill by:

- (1) Changing the effective date to upon its approval; and
- (2) Making technical, nonsubstantive amendments for purposes of style, clarity, and conformity.

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. 1443, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1443, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Mindo and Bukoski.

SCRep. 1324 Finance on S.B. No. 1444

The purpose of this bill is to appropriate an unspecified amount of funds for funding all collective bargaining cost items for fiscal biennium 2003-2005 in the agreement negotiated with collective bargaining unit (12).

The Office of Collective Bargaining opposed this measure.

Your Committee has amended this measure by:

- (1) Changing its effective date from July 1, 2003, to upon its approval; and
- (2) Making a technical, nonsubstantial amendment.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1444, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1444, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Mindo and Bukoski.

SCRep. 1325 Finance on S.B. No. 1445

The purpose of this bill is to fund any salary increases and other cost adjustments that may be authorized for fiscal biennium 2003-2005 for officers and employees of the following legislative agencies who are excluded from collective bargaining:

- (1) Office of the Auditor;
- (2) Ethics Commission;
- (3) Office of the Legislative Reference Bureau (LRB); and
- (4) Office of the Ombudsman.

The Office of Collective Bargaining, Ethics Commission, LRB, Office of the Ombudsman, and the Hawaii Government Employees Association Managerial and Confidential Employees Chapter testified in support of this bill.

Your Committee has amended this bill by changing the effective date to upon its approval.

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. 1445, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1445, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Mindo and Bukoski.

SCRep. 1326 Finance on S.B. No. 1135

The purpose of this bill is to authorize certain administrative fees collected by the district courts to be deposited into the Judiciary Computer System Special Fund.

The Judiciary testified in support of this measure.

Your Committee has amended this bill by changing the effective date from July 1, 2008, to July 1, 2010, for the purpose of further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1135, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1135, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Mindo and Bukoski.

SCRep. 1327 Finance on S.B. No. 1396

The purpose of this bill is to:

- (1) Correct statutory language related to the payment threshold for the estimated tax underpayment penalty, which was inadvertently amended to regressively affect taxpayers with an adjusted gross income of \$50,000 or less;

- (2) Conform state law to the Internal Revenue Code (IRC) by lowering the minimum estimated tax payment to 100 percent for prior year returns; and
- (3) Correct ambiguous language relating to the Department of Taxation's (DOTAX's) authority to grant extensions for filing tax returns which is in conflict with the IRC.

DOTAX submitted testimony in support of this bill. Tax Foundation of Hawaii submitted comments on this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1396 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 Mindo and Bukoski.

SCRep. 1328 Judiciary on S.B. No. 42

The purpose of this bill is to require certain vessels to be equipped with a properly functioning Emergency Position Indicating Radio Beacon (EPIRB) or VHF-FM radio.

The Department of Land and Natural Resources, The Chamber of Commerce of Hawaii, the Hawaii Boaters Political Action Association, and the Hawaii Ocean Safety Team testified in support of this measure.

Your Committee finds it reasonable to require those who enjoy Hawaii's ocean resources for recreational purposes to take reasonable steps to enable rescuers to find them in the event that they become lost at sea.

Your Committee has amended this measure by:

- (1) Clarifying that the new civil fine imposed in subsection (b) for violation of the new section is in lieu of rather than in addition to the penalties set forth in section 200-25, Hawaii Revised Statutes;
- (2) Deleting a mention of "watercraft" in a phrase about a "vessel or watercraft" as redundant because "vessel" as defined in section 200-23, Hawaii Revised Statutes, includes watercraft; and
- (3) Making other technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 42, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 42, S.D. 1, H.D. 1.

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

SCRep. 1329 Judiciary on S.B. No. 474

The purpose of this bill is to enable the Auditor to access records in the Department of Education and Department of Health that would otherwise be confidential.

The State Auditor testified in support of this measure. The Attorney General, the Department of Education, and the Department of Health testified in opposition to this measure.

Your Committee finds this measure a necessary and reasonable means to assure the Auditor access needed to perform the Auditor's duties in an effective manner.

Your Committee has amended this measure by providing that it will sunset on June 30, 2005.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 474, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 474, S.D. 2, H.D. 1.

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

SCRep. 1330 Judiciary on S.B. No. 1324

The purpose of this bill as received is to:

- (1) Require a claimant to be evaluated by a physician before a claim can be filed with the medical claim conciliation panel (MCCP);
- (2) Provide an option to use alternative dispute resolution (ADR) to evaluate a claim after initial filing with the MCCP; and
- (3) Amend tolling provisions of the statute of limitations when claims are filed with an ADR provider.

The Department of Commerce and Consumer Affairs and the Hawaii Medical Association testified in support of this bill. The Judiciary submitted testimony in support of the alternative dispute resolution provisions of this measure and took no position on the other provisions. The Consumer Lawyers of Hawaii commented on this bill and proposed an amendment.

Your Committee finds that ADR procedures may alleviate some difficulties inherent in the medical claim conciliation process, without unduly burdening claimants or their attorneys before the filing of a medical malpractice claim.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the provisions requiring consultation with a physician prior to filing a claim with the MCCP;

- (2) Amending the ADR provision to clarify that the Director of Commerce and Consumer Affairs is responsible for approval both of the ADR provider and the ADR process; and
- (3) Making technical, nonsubstantive changes for clarity, style, and consistency with other statutory sections.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1324, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1324, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Caldwell, Ito, Souki and Finnegan.

SCRep. 1331 Judiciary on S.B. No. 1405

The purpose of the bill is to conform state law to the Federal Motor Carrier Safety Administration's recommendation that Hawaii require proof of domicile before issuing a commercial driver's license (CDL).

The Department of Transportation testified in support of this measure.

Your Committee finds that this measure will allow a CDL to be issued only to persons domiciled in this State. This will bring state law into compliance with federal law.

Your Committee amended the bill by making technical, nonsubstantive changes for style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1405, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1405, H.D. 1.

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

SCRep. 1332 Judiciary on S.B. No. 255

The purpose of this bill is to invalidate private agreements that purport to restrict or prohibit agricultural activities on lands classified as agricultural by the Land Use Commission.

The Department of Agriculture, the Hawaii Agriculture Research Center, the Hawaii Farm Bureau, Hawaii's Thousand Friends, the Kauai County Farm Bureau, the Sierra Club, Hawaii Chapter, and a concerned individual testified in support of this measure. Two concerned individuals submitted testimony in opposition to this measure. The Hawaii Association of Realtors submitted testimony in support of the intent of this measure with concern over its impact on existing agreements.

This measure serves overwhelmingly important public interests in maintaining open space and agricultural lands. Agriculture preserves Hawaii's unique rural communities, generates income for farmers, their employees, and their families, and provides sustenance for Hawaii's people.

Your Committee appreciates that the constitutions of the United States and of the State of Hawaii protect against deprivation of private property for public use without just compensation or due process of law. This measure assures that agricultural lands can be used for agricultural purposes. This is not a "regulatory taking" of private property. Any person who acquires land classified as "agricultural" would reasonably anticipate that agricultural activity would occur there.

Your Committee recognizes that competing interests exist in "agricultural subdivisions" where some people engage in agricultural activities while others seek a pastoral residential atmosphere. Your Committee reluctantly decided, after giving serious consideration to retroactive application, that an impairment of contracts provision would be required.

Your Committee has amended this measure to:

- (1) Provide that agricultural uses may be restricted by private agreement if characteristics such as topography or soil quality render agricultural use unsuitable;
- (2) Authorize counties to void restrictions administratively, to avoid preemption in this area; and
- (3) Include an impairment of contracts provision to guard against retroactive application to the detriment of existing landowners.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 255, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 255, S.D. 2, H.D. 1.

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

SCRep. 1333 Finance on S.B. No. 1312

The purpose of this bill is to ensure that pension benefits for retirees are finalized in a timely manner by:

- (1) Requiring the Employees' Retirement System (ERS) to pay interest amounting to 4.5 percent per annum for pension benefits finalized after the 6th calendar month following the month of the retiree's retirement;
- (2) Establishing that the interest shall be calculated on the difference between the amount the retiree is entitled to receive from the retiree's retirement date up to the day the payment is made and the amount the retiree was paid, including any refund of member contributions;
- (3) Requiring any department or agency of the State or counties that fails to comply with ERS's request for information related to pension benefits, to pay a monthly fee to the ERS for each month that the department or agency fails to provide the information; and
- (4) Appropriating funds to carry out the provisions of this bill.

The Hawaii State Teachers Association-Retired and the Hawaii State Teachers Association supported this bill. ERS and the Department of Human Resources of the City and County of Honolulu offered comments.

Your Committee has amended this measure by clarifying that beginning January 1, 2004, or the first day of the seventh calendar month following the month of retirement, whichever is later, interest payments calculated as simple interest shall be prorated up to the date payment is made.

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. 1312, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1312, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Magaoay.

SCRep. 1334 Finance on S.B. No. 506

The purpose of this bill is to support research and development of hydrogen power in Hawaii by appropriating \$100,000 in each of fiscal years 2003-2004 and 2004-2005 from the geothermal royalties in the Special Land and Development Fund for the State's cost share for the Hawaii Power Park Project through phases 2 and 3.

The Department of Business, Economic Development, and Tourism, Department of Land and Natural Resources, and Office of Hawaiian Affairs testified in support of this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 506, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 506, H.D. 2.

Signed by all members of the Committee except Representatives Kaho'ohalahala, Bukoski and Jernigan.

SCRep. 1335 Finance on S.B. No. 402

The purpose of this bill is to establish the Graduate Medical Education Program to be administered by the Medical Education Council in cooperation with the Department of Health (DOH) to coordinate graduate medical education in the State.

The University of Hawaii John A. Burns School of Medicine, Queen's Medical Center, Hawaii Pacific Health, and Wahiawa General Hospital testified in support of this bill. DOH supported the intent of the bill.

Your Committee has amended this bill by:

- (1) Specifying that the Medical Education Council is to be established within the University of Hawaii; and
- (2) Making technical, nonsubstantive amendments to this bill for purposes of style and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 402, 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. 402, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Kaho'ohalahala, Bukoski and Jernigan.

SCRep. 1336 Finance on S.B. No. 773

The purpose of this bill is to require the Department of Labor and Industrial Relations (DLIR) to make a redetermination of entitlement of unemployment insurance benefits using the alternative base period for individuals without sufficient qualifying weeks or wages in their base period.

DLIR and the Hawaii State AFL-CIO supported the intent of this measure. The ILWU Local 142 submitted comments.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 773, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 773, H.D. 2.

Signed by all members of the Committee except Representatives Kaho'ohalahala, Bukoski and Jernigan.

SCRep. 1337 Finance on S.B. No. 880

The purpose of this bill is to strengthen the Legislature's ability to develop sound economic and fiscal policies for the State by:

- (1) Establishing the Legislative Budget Office (Office);
- (2) Appropriating unspecified funds for the Office to carry out its duties and functions; and
- (3) Eliminating the Office of the Legislative Analyst and the Joint Legislative Budget Committee.

The Office of the Auditor and the Legislative Reference Bureau offered comments.

Your Committee has amended this bill by:

- (1) Deleting provisions that authorize the Office to obtain information, data, estimates, and statistics developed by the other legislative agencies; 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 880, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 880, H.D. 2.

Signed by all members of the Committee except Representative Magaoay.
(Representative Moses voted no.)

SCRep. 1338 Judiciary on S.B. No. 51

The purpose of the bill is to authorize the director of transportation to grant an intrastate waiver for insulin users to obtain a commercial driver's license.

The Department of Transportation and a concerned individual testified in support of this bill.

Your Committee finds that the adoption of rules concerning managed care of health problems should address concerns over what otherwise would have been a physical disqualification for receiving a commercial driver's license.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 51 and recommends that it pass Third Reading.

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

SCRep. 1339 Judiciary on S.B. No. 1406

The purpose of this bill is to eliminate the use of social security numbers on Hawaii commercial drivers' licenses.

The Department of Transportation testified in support of the measure.

Your Committee finds that the social security number is no longer necessary since the new driver's license numbering system took effect January 1, 2001.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1406 and recommends that it pass Third Reading.

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

SCRep. 1340 Consumer Protection and Commerce on S.B. No. 562

The purpose of this bill is to clarify that motor vehicle fleet licensing contracts that contain terminable rental adjustment clause (TRAC) provisions are true leases that do not establish a sale of the vehicle nor create a security interest in the vehicle.

Testimony in support of this bill was received from the Hawaii Bankers Association.

Your Committee finds that TRAC motor vehicle leases involve the leasing of commercial fleets of vehicles by one business to another. The TRAC provision permits the lease rent to be adjusted upward or downward to compensate for any difference between the projected value of a vehicle at the time of contract, and the actual value upon termination of the lease. The objective of the TRAC provision is to provide an incentive for the lessee to keep the leased vehicles in good repair.

Your Committee further finds that this bill will:

- (1) Serve public interests by assuring both the lesser and the lessee that the courts will recognize the true-lease status of these arrangements, thus avoiding unnecessary litigation and transaction costs that would otherwise be passed on to the consumer; and
- (2) Make Hawaii's law uniform, predictable, and consistent with statutes in 43 other states that have enacted similar legislation.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 562 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Ito, Kanoho, M. Oshiro and Stonebraker.

SCRep. 1341 Finance on S.B. No. 585

The purpose of this bill is to improve services under the children's health insurance program by appropriating moneys from the Hawaii Tobacco Settlement Special Fund to:

- (1) Expand eligibility to 300 percent of federal poverty guidelines or the maximum amount allowed by federal officials; and
- (2) Provide outreach services to qualified children.

The Hawaii Primary Care Association submitted testimony in support of the intent of this bill. The Department of Human Services submitted testimony in opposition to this bill. The Department of the Attorney General submitted comments on this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 585, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Nishimoto.

SCRep. 1342 Finance on S.B. No. 870

The [sic] purpose of this bill is to provide assistance to the homeless by appropriating funds to the Housing and Community Development Corporation of Hawaii (HCDCH) for outreach and other services.

The Honolulu Police Department, Institute for Human Services, Volunteer Legal Services Hawaii, Affordable Housing and Homeless Alliance, Homeless Solutions, Women in Need Family Resource Center, Waianae Community Outreach, Waianae Coast Comprehensive Health Center, and several individuals submitted testimony in support of this bill. HCDCH submitted testimony in support of the intent of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 870, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Nishimoto.

SCRep. 1343 Health/Human Services and Housing/International Affairs on H.C.R. No. 206

The purpose of this concurrent resolution is to help establish a Center for the Health, Welfare, and Education of Children, Youth, and Families of the United States, Asia, and the Pacific (Center) by:

- (1) Requesting the United Nations (UN) to consider the establishment in Hawaii of the Center;
- (2) Urging the President and Congress of the United States to support the establishment of the Center; and
- (3) Requesting the House and Senate Committees on Health, House Committee on International Affairs, and the Keiki Caucus to convene an exploratory task force to develop a proposal for consideration by the UN.

A concerned individual submitted testimony in support of this concurrent resolution.

Your Committees find that children and youth are the key to world peace, sustainability, and productivity in the next millennium. The populations of countries in Asia and the Pacific Rim are the largest and fastest growing segment of the world's population, with young people representing the largest percentage of that population.

Further, your Committees find that Hawaii's location in the middle of the Pacific Rim, between Asia and the Americas and its diverse culture and many shared languages, provide an excellent strategic location for meetings and exchanges.

Your Committees have amended this concurrent resolution by:

- (1) Acknowledging the World Youth Congress and the Moroccan delegation who visited Hawaii and demonstrated their global vision of peace;
- (2) Noting that world peace is a major goal;
- (3) Seeking assistance to fund the Center;
- (4) Sending a certified copy of the concurrent resolution to the Director of Peace Child International; 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 Health and Human Services and Housing and International Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 206, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 206, H.D. 1.

Signed by all members of the Committee except Representatives Kahikina, Takai, Takumi and Stonebraker.

SCRep. 1344 Health/Education on H.R. No. 9

The purpose of this resolution is to request the Department of Health, in cooperation with the Department of Education, to establishment a sun protection program for Hawaii's elementary school children.

Your Committees received testimony in support of the resolution from the Department of Health, Department of Education, Hawaii Medical Service Association, Hawaii Medical Association, and Hawaii Skin Cancer Coalition.

Your Committees find that Hawaii's children need to understand the health risks associated with over-exposure to the sun and possible means of minimizing those risks. This is especially true in our tropical climes where the sun shines brightly and consistently, and so many people spend so much time outdoors.

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 concur with the intent and purpose of H.R. No. 9 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Shimabukuro, Finnegan, Stonebraker, Morita, Schatz, Blundell and Ontai.

SCRep. 1345 Health/Education on H.C.R. No. 6

The purpose of this resolution is to request the Department of Health, in cooperation with the Department of Education, to establishment a sun protection program for Hawaii's elementary school children.

Your Committees received testimony in support of the resolution from the Department of Health, Department of Education, Hawaii Medical Service Association, Hawaii Medical Association, and Hawaii Skin Cancer Coalition.

Your Committees find that Hawaii's children need to understand the health risks associated with over-exposure to the sun and possible means of minimizing those risks. This is especially true in our tropical climes where the sun shines brightly and consistently, and so many people spend so much time outdoors.

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 concur with the intent and purpose of H.C.R. No. 6 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Shimabukuro, Finnegan, Stonebraker, Morita, Schatz, Blundell and Ontai.

SCRep. 1346 Education/Health on H.C.R. No. 27

The purpose of this resolution is to request the Department of Health to provide school health aides throughout the state with dependable substitutes in order to ensure that all school health rooms are staffed at all times by qualified health personnel.

Your Committees received testimony in support of the resolution from the Maui County Council and Hawaii Government Employees Association. Your Committees received testimony in opposition the resolution from the Department of Health.

Your Committees find that every effort should be made to ensure that school health aides have qualified substitutes available when they are unable to report for duty.

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 concur with the intent and purpose of H.C.R. No. 27 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morita, Schatz, Blundell, Ontai, Shimabukuro, Finnegan and Stonebraker.

SCRep. 1347 Education/Higher Education on H.C.R. No. 106

The purpose of this resolution is to request the establishment of a task force on Asia-Pacific education to ensure that Hawaii's students meet high performance standards in education about Asia and the Pacific, and understand the impact of the state's relationship with the region.

Your Committees received testimony in support of the resolution from the University of Hawaii Vice President for International Education, an Associate Professor of the University of Hawaii College of Education Curriculum Studies, a Professor of the University of Hawaii College of Education Curriculum Research and Development Group, the Chair of Asian Studies at the University of Hawaii, two representatives of the University of Hawaii - Kapiolani Community College, the Senior Adviser for Global Affairs to the President of the University of Hawaii, five representatives of the East West Center, the Department of Education, the School Improvement Coordinator at Farrington High School, a kindergarten teacher from Punahou School, a history teacher from Kula High and Intermediate School, and the Hawaii Association for Supervision and Curriculum Development.

Your Committees find that Hawaii's position at the crossroads of the Pacific makes it imperative for Hawaii's students to understand the crucial role of their state in the Asia-Pacific region, especially in light of the continually accelerating pace of globalization.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 106 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takumi, Morita, Schatz, Blundell, Ontai, Morita, Schatz, Takumi, Blundell and Ontai.

SCRep. 1348 International Affairs on H.R. No. 115

The purpose of this resolution is to request that the President of the United States submit the Kyoto Protocol to the United States Senate for ratification in an effort to reduce emissions of greenhouse gases.

Life of the Land, Sierra Club, Hawaii Chapter, and a concerned individual testified in support of this measure.

Your Committee recognizes that global warming is a serious concern. The goal of the Kyoto Protocol is to reduce the greenhouse gas emissions by seven percent less than 1990 levels. Your Committee believes that Hawaii should do its part to reduce global warming and make our concerns known on a national level.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 115 and recommends that it be referred to the Committee on Energy and Environmental Protection.

Signed by all members of the Committee except Representative Stonebraker.

SCRep. 1349 International Affairs on H.C.R. No. 143

The purpose of this concurrent resolution is to request that the President of the United States submit the Kyoto Protocol to the United States Senate for ratification in an effort to reduce emissions of greenhouse gases.

Life of the Land, Sierra Club, Hawaii Chapter, and a concerned individual testified in support of this measure.

Your Committee recognizes that global warming is a serious concern. The goal of the Kyoto Protocol is to reduce the greenhouse gas emissions by seven percent less than 1990 levels. Your Committee believes that Hawaii should do its part to reduce global warming and make our concerns known on a national level.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 143 and recommends that it be referred to the Committee on Energy and Environmental Protection.

Signed by all members of the Committee except Representative Stonebraker.

SCRep. 1350 Health on H.C.R. No. 207

The purpose of this concurrent resolution is to request the Department of Health, with the assistance of the State Health Planning and Development Agency, to conduct a study regarding medical imaging for diagnosis in Hawaii. Moreover, the Director of Health is requested to submit a report of findings and recommendations, including necessary proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2004.

Your Committee finds that a 1999 Institute of Medicine report found that ninety-eight thousand deaths occur annually due to medical mistakes and that as many as twenty per cent of imaging studies contain a medical mistake. Moreover, medical imaging, such as X-rays, computed tomography imaging and magnetic resonance imaging scans have become widespread and said medical imaging has driven up the cost of health care tremendously and has put patients at a great risk of exposure to harmful radiation.

For the health and safety for the patients as well as health care personnel working with medical imaging equipment and to reduce unnecessary imaging and thus reduce health care cost; your Committee finds that a study by the Department of Health is warranted.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 207 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1351 Health/Human Services and Housing on H.C.R. No. 205

The purpose of this concurrent resolution is to show legislative support and encouragement for the efforts of the Executive Office on Aging and the Department of Health in developing the Self-Determination Demonstration Project.

Your Committee received no testimony on the matter.

Your Committee has amended this measure by deleting its contents entirely and by redirecting the resolution instead to the Auditor to conduct a study on proposed mandatory health insurance coverage.

Specifically, the resolution now requests the Auditor to assess both the social and financial effects of the proposed mandated coverage under S.B. No. 683, S.D. 2, H.D. 1, which amends chapters 431:10A, 432:1, and 432D, Hawaii Revised Statutes, by requiring that the diabetes coverage for education be provided by a certified diabetes educator, a program recognized by the American Diabetes Association, or a health care professional who has completed an accredited comprehensive diabetes education review course. Furthermore, the bill specifies that the diabetes education shall be provided by only a certified diabetes educator or a program recognized by the American Diabetes Association when deemed medically necessary by a health care provider.

Your Committee finds that S.B. No. 683, S.D. 2, H.D. 1, may add to the social and financial impacts already stemming from the current statutory mandates relating to health insurance coverage for diabetes education. Furthermore, statutes relating to the Auditor require that before any legislative measure that mandates health insurance coverage for certain providers of health care services may be considered, the Legislature must pass concurrent resolutions requesting the Auditor to assess both the social and financial effects of the proposed mandated coverage.

Your Committee finds that this resolution is the appropriate vehicle by which to request the Auditor to conduct its study.

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 concur with the intent and purpose of H.C.R. No. 205, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 205, H.D. 1.

Signed by all members of the Committee except Representatives Takai, Takumi and Finnegan.

SCRep. 1352 Economic Development and Business Concerns/Water, Land Use, and Hawaiian Affairs on H.R. No. 112

The purpose of this resolution is to foster greater self-sufficiency for the Waianae community and other communities by requesting the Department of Business, Economic Development, and Tourism (DBEDT) to establish a task force to develop an emergency action plan to assist and empower the communities involved.

Hale Na'au Pono testified in support of this measure. DBEDT testified in support of the intent of this measure.

Your Committees find that a task force established by DBEDT and comprised of representatives from community organizations will create an emergency action plan that best serves the affected community. Founded on the principle of community involvement, the action plan will help cultivate new and expanded opportunities for empowerment and self-sufficiency.

As affirmed by the records of votes of the members of your Committees on Economic Development and Business Concerns and Water, Land Use, and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 112 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Karamatsu, Sonson, Ontai, Evans, Morita and Bukoski.

SCRep. 1353 Economic Development and Business Concerns/Water, Land Use, and Hawaiian Affairs on H.C.R. No. 135

The purpose of this concurrent resolution is to foster greater self-sufficiency for the Waianae community and other communities by requesting the Department of Business, Economic Development, and Tourism (DBEDT) to establish a task force to develop an emergency action plan to assist and empower the communities involved.

Hale Na'au Pono testified in support of this measure. DBEDT testified in support of the intent of this measure.

Your Committees find that a task force established by DBEDT and comprised of representatives from community organizations will create an emergency action plan that best serves the affected community. Founded on the principle of community involvement, the action plan will help cultivate new and expanded opportunities for empowerment and self-sufficiency.

As affirmed by the records of votes of the members of your Committees on Economic Development and Business Concerns and Water, Land Use, and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 135 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Karamatsu, Sonson, Ontai, Evans, Morita and Bukoski.

SCRep. 1354 Economic Development and Business Concerns/Human Services and Housing on H.R. No. 52

The purpose of this resolution is to address the impact of new housing developments on educational facilities and other infrastructure by establishing a temporary Smart Growth Advisory Council (Council) within the Department of Business, Economic Development, and Tourism (DBEDT).

The Office of Planning submitted testimony supporting the intent of this measure. The Land Use Research Foundation of Hawaii submitted testimony in opposition.

Your Committees find that continued development may have negative impacts on the State's infrastructure and natural environment. The Council will assist the Legislature in developing long-term strategies to address this issue.

Your Committees also recognize that concerns were raised regarding the cost implications of establishing the Council. Your Committees encourage DBEDT and the Council to consider using technology, such as videoconferencing, to minimize costs associated with the Council.

As affirmed by the records of votes of the members of your Committees on Economic Development and Business Concerns and Human Services and Housing that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 52 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Karamatsu, Sonson, Ontai, Takumi and Finnegan.
(Representatives Jernigan, Leong and Marumoto voted no.)

SCRep. 1355 Economic Development and Business Concerns/Human Services and Housing on H.C.R. No. 49

The purpose of this concurrent resolution is to address the impact of new housing developments on educational facilities and other infrastructure by establishing a temporary Smart Growth Advisory Council (Council) within the Department of Business, Economic Development, and Tourism (DBEDT).

The Office of Planning submitted testimony supporting the intent of this measure. The Land Use Research Foundation of Hawaii submitted testimony in opposition.

Your Committees find that continued development may have negative impacts on the State's infrastructure and natural environment. The Council will assist the Legislature in developing long-term strategies to address this issue.

Your Committees also recognize that concerns were raised regarding the cost implications of establishing the Council. Your Committees encourage DBEDT and the Council to consider using technology, such as videoconferencing, to minimize costs associated with the Council.

As affirmed by the records of votes of the members of your Committees on Economic Development and Business Concerns and Human Services and Housing that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 49 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Karamatsu, Sonson, Ontai, Takumi and Finnegan.
(Representatives Jernigan, Leong and Marumoto voted no.)

SCRep. 1356 Higher Education on H.R. No. 92

The purpose of this measure is to convene a House interim study group to identify guiding principles for statewide higher education policy that can be adopted and used to evaluate future higher education legislation.

Furthermore, this measure also requests the Legislative Reference Bureau to develop and apply an organizational framework to the higher education statutes in order to identify statutes that should be consolidated, amended, or repealed to conform with recent higher education policy initiatives for the purposes of recodification of the higher education statutes.

Your Committee finds that statutory recodification is more than a rearrangement or reorganization of existing statutes. It is also typically a technical "overhaul" of the statutory scheme on a given subject with efforts made to harmonize conflicting statutory provisions, fill in gaps in statutes that are not appropriately filled by rules, and otherwise repair statutory "disconnects". As a result, substantive changes made or recommended are typically in the nature of "housekeeping" changes.

Your Committee further finds that, ideally, recodification efforts should involve people who work with the affected statutes on a regular basis and who are aware of problems that have been encountered over the years in dealing with the statutes. Without significant input from these people, the Legislative Reference Bureau will not be able to produce a very meaningful recodification.

Your Committee also finds that the purpose of this measure appears to be headed simultaneously in very different directions. The goals of the study group would appear to be focused on significant policy and systemic changes, which are radically different concepts from recodification.

Therefore, upon further consideration, your Committee has amended this measure as follows:

- (1) By deleting the House interim study group;

- (2) By amending the title of the measure to reflect the remaining purpose of this measure, which is to request the Legislative Reference Bureau to develop a proposal to recodify the higher education statutes;
- (3) By deleting language that the recodification conform to recent higher education policy initiatives, because the recodification is intended to focus upon the more technical changes to the statutes; and
- (4) By requesting the involvement of the Office of the Attorney General and the University of Hawaii, in particular, the University's Office of General Counsel, in the recodification effort.

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

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

SCRep. 1357 Higher Education on H.C.R. No. 102

The purpose of this measure is to convene a joint House and Senate interim study group to identify guiding principles for statewide higher education policy that can be adopted and used to evaluate future higher education legislation.

Furthermore, this measure also requests the Legislative Reference Bureau to develop and apply an organizational framework to the higher education statutes in order to identify statutes that should be consolidated, amended, or repealed to conform with recent higher education policy initiatives for the purposes of recodification of the higher education statutes.

Your Committee finds that statutory recodification is more than a rearrangement or reorganization of existing statutes. It is also typically a technical "overhaul" of the statutory scheme on a given subject with efforts made to harmonize conflicting statutory provisions, fill in gaps in statutes that are not appropriately filled by rules, and otherwise repair statutory "disconnects". As a result, substantive changes made or recommended are typically in the nature of "housekeeping" changes.

Your Committee further finds that, ideally, recodification efforts should involve people who work with the affected statutes on a regular basis and who are aware of problems that have been encountered over the years in dealing with the statutes. Without significant input from these people, the Legislative Reference Bureau will not be able to produce a very meaningful recodification.

Your Committee also finds that the purpose of this measure appears to be headed simultaneously in very different directions. The goals of the study group would appear to be focused on significant policy and systemic changes, which are radically different concepts from recodification.

Therefore, upon further consideration, your Committee has amended this measure as follows:

- (1) By deleting the joint House and Senate interim study group;
- (2) By amending the title of the measure to reflect the remaining purpose of this measure, which is to request the Legislative Reference Bureau to develop a proposal to recodify the higher education statutes;
- (3) By deleting language that the recodification conform to recent higher education policy initiatives, because the recodification is intended to focus upon the more technical changes to the statutes; and
- (4) By requesting the involvement of the Office of the Attorney General and the University of Hawaii, in particular, the University's Office of General Counsel, in the recodification effort.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 102, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 102, H.D. 1.

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

SCRep. 1358 Higher Education on H.R. No. 91

The purpose of this resolution is to urge the establishment of a teacher cadet program to recruit local high school students to teach in Hawaii's public schools.

The University of Hawaii, Department of Education, and College of Education Alumni Association submitted testimony in support of this measure.

Your Committee finds that the teacher shortage in Hawaii requires creative solutions. A teacher cadet program would encourage Hawaii's best high school students to teach in the public schools and bring much-needed attention to this critical profession.

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

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

SCRep. 1359 Higher Education on H.C.R. No. 101

The purpose of this concurrent resolution is to urge the establishment of a teacher cadet program to recruit local high school students to teach in Hawaii's public schools.

The University of Hawaii, Department of Education, and College of Education Alumni Association submitted testimony in support of this measure.

Your Committee finds that the teacher shortage in Hawaii requires creative solutions. A teacher cadet program would encourage Hawaii's best high school students to teach in the public schools and bring much-needed attention to this critical profession.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 101 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1360 Higher Education on H.R. No. 18

The purpose of this resolution is to support the development of a rural health care center at the University of Hawaii at Hilo (UH-Hilo).

Two faculty members from UH-Hilo submitted testimony in support of this resolution.

Your Committee finds that a rural health care center would greatly benefit the people of Hilo and serve a public purpose for the State. Your Committee finds that the development of the health center would be best accomplished through the establishment of a task force consisting of representatives from UH and other concerned stakeholders.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 18 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Kahikina and Takumi.

SCRep. 1361 Higher Education on H.C.R. No. 19

The purpose of this concurrent resolution is to support the development of a rural health care center at the University of Hawaii at Hilo (UH-Hilo).

Two faculty members from UH-Hilo submitted testimony in support of this concurrent resolution.

Your Committee finds that a rural health care center would greatly benefit the people of Hilo and serve a public purpose for the State. Your Committee finds that the development of the health center would be best accomplished through the establishment of a task force consisting of representatives from UH and other concerned stakeholders.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 19 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Kahikina, Takumi.

SCRep. 1362 Higher Education on H.C.R. No. 194

The purpose of this concurrent resolution is to urge the University of Hawaii (UH) Department of Psychiatry to expand its research and education on depression diagnosis and management.

An individual submitted testimony in support of this concurrent resolution. The John A. Burns School of Medicine at UH-Manoa and an individual supported the intent of this concurrent resolution.

Hawaii has one of the largest elder populations in the country due to a high life expectancy. Your Committee finds that it is more economical to treat mental illnesses among the elderly when the conditions are diagnosed in their early stages. Early diagnoses will significantly reduce both the direct and indirect costs of health care 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 concurs with the intent and purpose of H.C.R. No. 194 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morita, Schatz, Takumi, Blundell and Ontai.

SCRep. 1363 Higher Education on H.C.R. No. 14

The purpose of this concurrent resolution is to request the University of Hawaii (UH) Board of Regents and the governing bodies of all accredited colleges and universities in the State to adopt policies regulating on-campus marketing of credit cards to students.

UH submitted testimony in support of the intent of this measure.

Your Committee finds that many students are incurring large amounts of credit card debt while in school. With little experience in managing their finances, many college students use credit cards without regard for the effect that such high-interest debt can cause to their credit rating and economic future. Credit card companies take advantage of this situation by marketing their products on campus to students who will likely end up owing significant amounts of money. This measure seeks to reduce this type of predatory marketing.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 14 and recommends that it be referred to the Committee on Consumer Protection and Commerce.

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

SCRep. 1364 Higher Education/Health on H.R. No. 120

The purpose of this resolution is to urge the University of Hawaii (UH) to require all students at UH to show proof of immunization against hepatitis B prior to enrollment.

UH submitted testimony in opposition to this resolution.

Your Committees find that hepatitis B is a serious infection that is often spread through sexual contact or by sharing infected needles. The infection can cause chronic liver disease, which, in some cases, can lead to death. Your Committee finds that UH should take action to ensure that students are vaccinated against this viral disease.

Your Committees have amended this resolution, including its title, by:

- (1) Specifying that UH is urged to consider requiring students to show proof of immunization against hepatitis B prior to enrollment; and
- (2) Making technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Higher Education and Health that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 120, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 120, H.D. 1.

Signed by all members of the Committee except Representatives Morita, Schatz, Blundell, Ontai, Shimabukuro, Takumi, Finnegan and Stonebraker.

SCRep. 1365 Higher Education/Health on H.C.R. No. 149

The purpose of this concurrent resolution is to urge the University of Hawaii (UH) to require all students at UH to show proof of immunization against hepatitis B prior to enrollment.

UH submitted testimony in opposition to this concurrent resolution.

Your Committees find that hepatitis B is a serious infection that is often spread through sexual contact or by sharing infected needles. The infection can cause chronic liver disease, which, in some cases, can lead to death. Your Committee finds that UH should take action to ensure that students are vaccinated against this viral disease.

Your Committees have amended this concurrent resolution, including its title, by:

- (1) Specifying that UH is urged to consider requiring students to show proof of immunization against hepatitis B prior to enrollment; and
- (2) Making technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Higher Education and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 149, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 149, H.D. 1.

Signed by all members of the Committee except Representatives Morita, Schatz, Blundell, Ontai, Shimabukuro, Takumi, Finnegan and Stonebraker.

SCRep. 1366 Education/Higher Education on H.R. No. 36

The purpose of this resolution is to request strong support by Congress for Title IX, the Patsy Takemoto Mink Equal Opportunity in Education Act.

Your Committees received testimony in support of the resolution from the Hawaii State Commission on the Status of Women, Maui County Council, Hawaii State Teachers Association, Planned Parenthood of Hawaii, and two private individuals.

Your Committees find that Title IX is the one of the most important achievements of a pioneer for women's rights and professional advancement, Congresswoman Patsy Takemoto Mink. The statute has had a tremendously positive and far-reaching impact on higher education, sports, and the status of women in America. In light of its cardinal importance to the nation as a whole, your Committees further find that the Patsy Takemoto Mink Equal Opportunity in Education Act should not be repealed, weakened, or inadequately funded. This is not only out of respect for a tireless, life-long public servant. More importantly - as Congresswoman Mink would have been the first to point out - it is out of respect for the potential of half of the nation's people and the incalculable value to society of having that potential realized.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 36 and recommends its adoption.

Signed by all members of the Committee except Representatives Morita, Schatz, Takumi, Blundell and Ontai.

SCRep. 1367 Education/Higher Education on H.C.R. No. 31

The purpose of this resolution is to request strong support by Congress for Title IX, the Patsy Takemoto Mink Equal Opportunity in Education Act.

Your Committees received testimony in support of the resolution from the Hawaii State Commission on the Status of Women, Maui County Council, Hawaii State Teachers Association, Planned Parenthood of Hawaii, and two private individuals.

Your Committees find that Title IX is the one of the most important achievements of a pioneer for women's rights and professional advancement, Congresswoman Patsy Takemoto Mink. The statute has had a tremendously positive and far-reaching impact on higher education, sports, and the status of women in America. In light of its cardinal importance to the nation as a whole, your Committees further find that the Patsy Takemoto Mink Equal Opportunity in Education Act should not be repealed, weakened, or inadequately funded. This is not only out of respect for a tireless, life-long public servant. More importantly - as Congresswoman Mink would have been the first to point out - it is out of respect for the potential of half of the nation's people and the incalculable value to society of having that potential realized.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 31 and recommends its adoption.

Signed by all members of the Committee except Representatives Morita, Schatz, Takumi, Blundell and Ontai.