

SCRep. 821 Consumer Protection & Commerce on H.B. No. 1449

The purpose of this bill is to amend the workers' compensation formula for computing benefits paid to an injured airline pilot or flight attendant. Specifically, this bill:

- (1) Deletes a reference to "part-time" employment in connection with a work week of fewer than 35 hours; and
- (2) Clarifies that airline pilots and flight attendants are entitled to weekly workers' compensation benefits based on the average of the actual hours worked per week in the 52-weeks preceding the week in which the injury occurred.

Your Committee received testimony in support of this measure from Hawaiian Airlines and Aloha Airlines. Testimony in opposition of this bill was received from ILWU Local 142 and a concerned individual. The Department of Labor and Industrial Relations commented.

Your Committee finds that airline pilots and flight attendants who work less than 35 hours per week are still considered "full-time" employees under their collective bargaining agreements. For this reason, a recent Hawaii Supreme Court summary disposition order required the workers compensation benefits of these types of employees to be based on a "full-time" minimum work week of 35 hours. Consequently, an injured airline pilot or flight attendant could earn more money while on workers' compensation, than while actually working.

Your Committee finds that this unusual scenario provides a disincentive for this group of airline pilots and flight attendants to promptly return to work. Your Committee believes that this was never the intent of the workers' compensation law.

Your Committee has amended this measure by:

- (1) Clarifying that the average weekly wage for employees employed for fewer than 35 hours per week is based on hours worked "per week;"
- (2) Deleting references to "full-time" or "part-time" airline workers in connection with the calculation of their workers' compensation benefit;
- (3) Providing an effective date of July 1, 2009, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1449, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1449, H.D. 1.

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

SCRep. 822 Consumer Protection & Commerce on H.B. No. 835

The purpose of this bill is to improve and clarify provisions of the law relating to time share industry sales. Specifically, this bill:

- (1) Amends signage requirements for time share booths such that a permanent, conspicuous, clear, and unobstructed sign containing the words "time share" or "time sharing" is required to be displayed at all times, except for booths located within a project subject to a time share plan or within a hotel if:
 - (A) The project or hotel is owned or operated by the developer or an affiliate of the developer;
 - (B) The owner or operator of the project or hotel, or one of their affiliates, is the plan manager of the time share plan; or
 - (C) The owner or operator of the project or hotel, or one of their affiliates, is a subcontractor of the plan manager and provides check-in, check-out, day-to-day maintenance, and housekeeping services for the time share plan;
- (2) Provides that the prohibition on receiving money, property, or other valuable consideration from a purchaser or prospective purchaser does not apply to money paid for a tourist activity, product, or service offered to induce attendance at a time share sales; and
- (3) Clarifies that the requirement for including in promotional literature a disclosure that the product or activity involves a time share does not apply to a sign or banner, except as provided in the signage requirements of section 514E-11, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from Pahio Resorts, Starwood Vacation Ownership, Marriott International, Inc., American Resort Development Association-Hawaii Chapter, Cendant Timeshare Resort Group, Inc., and Fairfield Resorts, Inc. The Department of Commerce and Consumer Affairs (DCCA) supported the intent of this measure with amendments.

Your Committee finds that time share signage requirements will protect and inform consumers when promotional prizes or gifts are offered to them for the purpose of soliciting sales of time share units or interests. While your Committee believes that this measure will provide parity among time share competitors, it does recognize DCCA's concerns about excluding specific owners,

operators, or developers from signage requirements. It is your Committee's understanding that DCCA is currently in discussions with time share industry representatives to draft language that is mutually agreeable.

In light of the ongoing discussions, your Committee has amended this bill by:

- (1) Providing a defective date of July 1, 2099, to encourage 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 835, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 835, H.D. 2.

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

SCRep. 823 Consumer Protection & Commerce on H.B. No. 1756

The purpose of this bill is to prevent misuse of trust or estate assets by trustees and personal representatives who happen to be attorneys. Specifically, this bill:

- (1) Requires an attorney who is designated to serve as the paid, personal representative of an estate to prepare, for the testator's written approval and filing with the will, a disclosure of the fact that the attorney anticipates being paid for this service and the method by which compensation will be determined;
- (2) Requires an attorney who is designated to serve as the paid trustee of a trust to prepare, for the trustor's written approval, a disclosure of the fact that the attorney anticipates being paid for this service and the method by which compensation will be determined; and
- (3) Applies to testamentary documents executed after the effective date of this measure.

Your Committee received testimony in support of this measure from a concerned individual.

Your Committee finds that this measure will prevent occurrences of abuse by trustees and personal representatives who also happen to be attorneys. Your Committee further finds that this measure will help attorneys effectively administer trust and estates for their clients.

Your Committee has made technical, nonsubstantive amendments to this bill for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1756, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1756, H.D. 2.

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

SCRep. 824 Consumer Protection & Commerce on H.B. No. 1707

The purpose of this bill is to exempt seawater air conditioning district cooling systems from Public Utilities Commission (PUC) regulation, provided that at least 50 percent of the energy for the system is provided by a renewable energy resource.

Testimony in support of this bill was received from the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs and Honolulu Seawater Air Conditioning, LLC. PUC commented.

Your Committee finds that seawater air conditioning projects can help advance our State's energy policy goal of reducing dependence on fossil fuels. The use of cold seawater to air condition buildings not only reduces fossil fuel-generated energy consumption, but also reduces the demand for electricity during peak-use hours, and thus the need for additional fossil fuel generating plants to satisfy peak-use demand.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2099, in the interest of promoting additional dialogue on concerns arising in the public hearing; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1707, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1707, H.D. 2.

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

SCRep. 825 Consumer Protection & Commerce on H.B. No. 1051

The purpose of this bill is to elucidate the procedures by which unused prescription drugs dispensed within health care institutions may be returned for credit to the payer and subsequent reuse, or may be donated to a drug repository. Specifically, this bill:

- (1) Amends the Return-for-Credit-and-Reuse program under chapter 328B, Hawaii Revised Statutes (HRS), by permitting the return of drugs in in-use multiple dose containers, subject to appropriate safeguards in rules for public health, or operational considerations;
- (2) Alters the procedures for donation of pharmaceuticals, under chapter 328C, HRS, by adopting procedures similar to those for the Return-for-Credit-and-Reuse program; and
- (3) Makes housekeeping amendments to these two laws.

The Department of Health supported this bill with amendments. The Hawaii Medical Service Association supported the intent of the bill with amendments. A private citizen submitted testimony in opposition to this measure. The Board of Pharmacy commented and offered amendments.

Your Committee finds that this bill would expand the types of prescription drugs that could be returned for credit and reuse, by including drugs in an "in-use multiple dose container." "Multiple dose container" as defined in chapter 461, HRS, (Pharmacists and Pharmacy), includes only those drugs intended to be administered intravenously or by injection, and would include multiple doses of drugs in a single container. Thus, the bill would allow these multiple dose containers to be returned even if they were "in-use."

Your Committee finds that including these drugs would raise safety concerns, and conflict with the requirement in section 328B-2(b), HRS, that drugs eligible for return and reuse be limited to those in containers that have never before been opened.

Therefore, your Committee has amended this measure to exclude in-use multiple dose containers from the Return-for-Credit-and-Reuse program. Technical, nonsubstantive amendments have also been made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1051, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1051, H.D. 2.

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

SCRep. 826 Judiciary on H.B. No. 887

The purpose of this bill is to promote complete and faithful disclosure by state officials and employees by prohibiting the payment of salaries to an officer or employee of the State who prohibits, coerces, intimidates, or otherwise prevents any other officer or employee of the State from communicating or contacting any state legislator or state legislative committee in matters pertaining to:

- (1) The employment of the officer or employee who is communicating or contacting the legislator or committee; or
- (2) The department or agency of the officer or employee who is communicating or contacting the legislator or committee.

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO supported this measure.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 887, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 887, H.D. 1.

Signed by all members of the Committee except Representatives Herkes, Kanoho and Thielen.

SCRep. 827 Judiciary on H.B. No. 164

The purpose of this bill is to prohibit the use of audiovisual recording devices in a movie theater while a motion picture is being exhibited, without the prior consent of the motion picture theater owner. Specifically, this bill:

- (1) Classifies the unauthorized use of an audiovisual recording device in a movie theater as a misdemeanor;
- (2) Protects an authorized person from civil liability when taking reasonable action to detain an unauthorized user of an audiovisual recording device in a movie theater, while awaiting the arrival of law enforcement officers; and
- (3) Makes an exception for legitimate uses of audiovisual recording devices for a lawfully authorized investigative, protective, law enforcement, or intelligence-gathering employee or agent of the local, state, or federal government.

The Motion Picture Association and Screen Actors Guild testified in support of this bill.

Your Committee has amended this bill by:

- (1) Deleting the provision that protects an authorized person from civil liability when taking reasonable action to detain an unauthorized user of an audiovisual recording device in a movie theater, while awaiting the arrival of law enforcement officers;

- (2) Clarifying that this bill does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun, before its effective date; and
- (3) Making other technical, nonsubstantive amendments for clarity, 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 H.B. No. 164, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 164, H.D. 1.

Signed by all members of the Committee except Representative Kanoho.

SCRep. 828 Judiciary on H.B. No. 919

The purpose of this bill is to protect the safety of the public and address the problem of persons who have repeatedly committed the offense of operating a motor vehicle under the influence of an intoxicant by allowing the forfeiture of the vehicle for a conviction of:

- (1) Operating a vehicle under the influence of an intoxicant within five years of two prior convictions; or
- (2) Habitually operating a vehicle under the influence of an intoxicant.

The Department of Transportation testified in support of this bill. Mothers Against Drunk Driving Hawaii supported the intent of this measure. The Honolulu Police Department opposed this bill. The Office of the Public Defender offered comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to January 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 919, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 919, H.D. 1.

Signed by all members of the Committee except Representative Kanoho.

SCRep. 829 Judiciary on H.B. No. 862

The purpose of this bill is to improve public safety on the roadways by creating severe penalties for those who drive at excessive speeds. Among other things, this bill:

- (1) Creates a criminal offense for excessive speeding;
- (2) Defines "excessive speeding" as exceeding the speed limit by 30 miles per hour or more or driving 90 miles per hour or more irrespective of the speed limit; and
- (3) Provides for graduated sentencing for excessive speeding violations, including driver's license suspension or revocation, mandatory driver retraining, fines, assessments, community service, and imprisonment.

The Honolulu Police Department, the Department of the Prosecuting Attorney of the City and County of Honolulu, Kuliouou/Kalani Iki Neighborhood Board #2, and Holy Trinity School and its Board testified in support of this bill. The Department of Transportation supported the intent of this measure. The Office of the Public Defender offered comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, for the purpose of continuing discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 862, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 862, H.D. 2.

Signed by all members of the Committee except Representative Kanoho.

SCRep. 830 Judiciary on H.B. No. 868

The purpose of this bill is to amend Chapter 441, Hawaii Revised Statutes, relating to cemetery and funeral trusts. Specifically, this bill:

- (1) Enables a cemetery authority to respond to inquiries about the location of a deceased in a timely manner by requiring the cemetery authority to:
 - (a) Assign a "unique identifier" to each plot, crypt, or niche; and

- (b) Maintain a permanent, accurate record of the identity of each person whose remains are located in the cemetery, together with the corresponding "unique identifier";
- (2) Requires a cemetery authority to maintain a copy of all filed cemetery property maps or plats as a permanent record;
- (3) Mandates disclosure of the unique identifier for a plot, crypt, or niche to be sold, as described by reference to its map or plat, as a part of cemetery and funeral authority contract disclosure requirements; and
- (4) Makes the cemetery authority's books subject to examination by the Director of the Department of Commerce and Consumer Affairs (DCCA) as provided by law.

DCCA testified in support of this bill. The Hawaiian Memorial Plan, Ltd., offered comments.

Your Committee has amended this bill by making technical, nonsubstantive amendments for clarity, 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 H.B. No. 868, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 868, H.D. 2.

Signed by all members of the Committee except Representatives Herkes and Thielen.

SCRep. 831 Judiciary on H.B. No. 1173

The purpose of this bill is to reduce excessive noise produced by loud motor vehicle exhaust systems by providing for increases in fines for a second, third, or subsequent violation of the motor vehicle muffler noise law.

Several concerned individuals testified in support of this bill. The Specialty Equipment Market Association opposed this measure.

Your Committee has amended this bill by:

- (1) Decreasing the maximum penalty for the first violation from \$250 to \$100;
- (2) Increasing the penalty for the second violation from \$100 to \$250;
- (3) Increasing the penalty for the third and subsequent violations from \$200 to \$500;
- (4) Changing the effective date to January 1, 2020, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for clarity, 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 H.B. No. 1173, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1173, H.D. 2.

Signed by all members of the Committee except Representative Kanoho.

SCRep. 832 Judiciary on H.B. No. 1450

The purpose of this bill is to prohibit discrimination in the area of employment toward people whose gender identity and expression may be construed as being different from the norm.

The American Civil Liberties Union, The Center, Civil Unions – Civil Rights Movement; Gay, Lesbian, Bisexual, and Transgendered Caucus of the Democratic Party of Hawaii, Gay and Lesbian Education and Advocacy Foundation, PFLAG-Oahu, and several concerned individuals supported this bill. The Hawaii Civil Rights Commission (HCRC) and a concerned individual supported this measure with amendments. A concerned individual opposed this bill.

Your Committee has amended this bill by:

- (1) Including a purpose section stating that existing cases seeking to prove sex or gender stereotyping are not affected by this bill;
- (2) Including language that clarifies that discrimination based upon gender identity or expression is encompassed in discrimination based on sex;
- (3) Deleting previously added language that mirrored what is now stated in the purpose section; and
- (4) Making other technical, nonsubstantive amendments for clarity, 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 H.B. No. 1450, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1450, H.D. 2.

Signed by all members of the Committee except Representatives Herkes and Thielen.

SCRep. 833 Judiciary on H.B. No. 106

The purpose of this bill is to protect employee privacy rights by defining the types of health care information that must be provided to employees and the circumstances under which insurers, mutual benefit societies, and health maintenance organizations (HMOs) provide this information to employers.

The Department of Commerce and Consumer Affairs and Hawaii Medical Service Association testified in support of this measure. The Employers' Chamber of Commerce and Hawaii Association of Health Plans supported this measure with amendments. Summerlin Life & Health Insurance Company opposed this measure. Several concerned individuals provided comments.

Your Committee has amended this bill by:

- (1) Exempting insurers, mutual benefit societies, and HMOs from providing information to employers that provide coverage under a particular policy for fewer than 100 employees; and
- (2) Making 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 H.B. No. 106, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 106, H.D. 3.

Signed by all members of the Committee except Representative Kanoho.

SCRep. 834 Judiciary on H.B. No. 1201

The purpose of this bill is to strengthen the law relating to agricultural theft by:

- (1) Making the possession of agricultural commodities removed from fenced or posted premises without an ownership and movement certificate prima facie evidence that the person knows that the agricultural commodities are or have been stolen in cases of theft in the second degree;
- (2) Making the possession of livestock without a livestock ownership and movement certificate prima facie evidence that the person knows the livestock is or has been stolen in cases involving theft of livestock; and
- (3) Expanding the definition of theft in the second degree to include theft of over 35 pounds of agricultural products from fenced or posted premises.

The Department of Agriculture, Department of the Prosecuting Attorney of the City and County of Honolulu, Big Island Farm Bureau, C&H Farms, Hawaii Agriculture Research Center, Hawaii Crop Improvement Association, Hawaii Farm Bureau Federation, Maui County Farm Bureau, Pineapple Growers Association of Hawaii, Kauai County Farm Bureau, and numerous concerned individuals testified in support of this bill. The Office of the Public Defender testified in opposition to this measure.

Agricultural theft is a growing problem for farmers and has resulted in serious economic loss over the last several years. Recent, high-profile cases in which farmers used force to protect their crops from thieves have brought this criminal activity to the forefront of discussions in Hawaii's agricultural industry. Your Committee finds that strengthening laws dealing with agricultural theft is one means of combating this growing problem.

Your Committee notes that a suggestion was made to lower the weight requirement for agricultural theft to be considered theft in the second degree from 35 pounds to 25 pounds but feels that further review and discussion is needed on this suggestion.

Your Committee has amended this measure by:

- (1) Clarifying that the possession of agricultural commodities removed from fenced or posted premises without an ownership and movement certificate is evidence, rather than prima facie evidence, that the person knows that the agricultural commodities are stolen in cases of theft in the second degree;
- (2) Clarifying that the possession of livestock without a livestock ownership and movement certificate is evidence, rather than prima facie evidence, that the person knows the livestock is stolen in cases involving theft of livestock;
- (3) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1201, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1201, H.D. 2.

Signed by all members of the Committee except Representative Kanoho.

SCRep. 835 Judiciary on H.B. No. 1202

The purpose of this bill is to deter trespassing on agricultural lands by providing that a person commits the offense of criminal trespass in the second degree if the person, without permission from the property owner, enters cultivated or uncultivated agricultural land when no-trespass signs are posted along all exterior boundaries and at all roads and trails entering the property.

The Department of Agriculture, Department of the Prosecuting Attorney of the City and County of Honolulu, Hawaii Agriculture Research Center, Hawaii Crop Improvement Association, Hawaii Farm Bureau Federation, Maui County Farm Bureau, Pineapple Growers Association of Hawaii, and numerous concerned individuals testified in support of this bill. The Office of the Public Defender offered comments.

Your Committee notes that concerns were raised about whether the posting of no-trespass signs as provided in this bill would give adequate notification that a person is trespassing on agricultural land, as well as about the potential effects this bill may have on state and federal personnel entering agricultural lands to conduct official business within the scope of their legal authority. This measure therefore merits further discussion.

Accordingly, your Committee has amended this bill by:

- (1) Adding a defective date to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1202, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1202, H.D. 2.

Signed by all members of the Committee except Representative Kanoho.

SCRep. 836 Judiciary on H.B. No. 1639

The purpose of this bill is to protect qualified farmers by exempting them from civil liability for injuries and damages suffered by any person on a qualified farmer's agricultural land who:

- (1) Enters or remains on the farmer's agricultural land without permission; and
- (2) Commits, or attempts to commit, theft of agricultural equipment, supplies, or commodities on the agricultural land;

except for damages or injuries resulting from the qualified farmer's gross negligence or wanton acts or omissions.

The Department of Agriculture, Hawaii Agriculture Research Center, Hawaii Crop Improvement Association, Hawaii Farm Bureau Federation, Maui County Farm Bureau, and five concerned individuals testified in support of this bill. Consumer Lawyers of Hawaii opposed this measure.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, for the purpose of continuing discussion; and
- (2) Making 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 H.B. No. 1639, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1639, H.D. 2.

Signed by all members of the Committee except Representative Kanoho.

SCRep. 837 Judiciary on H.B. No. 895

The purpose of this bill is to protect seabirds and marine life from light pollution by:

- (1) Prohibiting artificial lights used for decorative or aesthetic purposes when they directly illuminate or cause a direct or indirect glare towards the shoreline and ocean waters;
- (2) Providing exceptions from the aforementioned prohibition for certain lighting used by hotel and hotel-condos or government agencies; and
- (3) Requiring light fixtures in special management areas to be located, aimed, and shielded in ways minimizing stray light, where reasonable.

The Department of Land and Natural Resources, a member of the Hawaii County Council, Office of Hawaiian Affairs, Conservation Council for Hawaii, Hawaii Audubon Society, Sierra Club-Hawaii Chapter, and numerous concerned individuals testified in support of this bill. The Department of Transportation and two concerned individuals supported the intent of this measure. The Land Use Research Foundation of Hawaii opposed this bill. The Hawaii Hotel & Lodging Association offered comments.

Your Committee finds that the regulation of artificial lights that affect coastal areas will help mitigate disruptions of avian and marine life.

Your Committee has amended this bill by:

- (1) Removing the prohibition against artificial lights used for decorative or aesthetic purposes that are visible from the beach;

- (2) Specifying that artificial lighting provided by a government agency's authorized users for government operations, security, public safety, or navigational needs are exempt from the prohibition, and that these authorized users must make reasonable efforts to properly position or shield lights to minimize adverse impacts; and
- (3) Making 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 H.B. No. 895, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 895, H.D. 2.

Signed by all members of the Committee except Representatives Herkes and Thielen.

SCRep. 838 Judiciary on H.B. No. 1430

The purpose of this bill is to deter illegal dumping of waste products by, among other things, establishing the offense of petty misdemeanor disposal of solid waste if a person knowingly disposes, or arranges for the disposal of, solid waste in an amount equal to or greater than one cubic yard in volume and less than ten cubic yards in volume in a place other than a permitted solid waste management system without written approval.

The Attorney General and the Department of Health supported this bill. Windward Ahupua'a Alliance supported this bill with amendments. The Mayor of the County of Hawaii offered comments.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2020, to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, 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 H.B. No. 1430, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1430, H.D. 2.

Signed by all members of the Committee except Representatives Herkes and Thielen.

SCRep. 839 Judiciary on H.B. No. 712

The purpose of this bill is to protect historical and cultural sites and artifacts. Specifically, this bill makes it a criminal offense for any person to knowingly:

- (1) Take, appropriate, excavate, injure, destroy, or alter any historic property or aviation artifact located on private lands or lands owned or controlled by the State or counties, without permission;
- (2) Take, appropriate, excavate, injure, destroy, or alter any burial site, or its contents, located on private lands or lands owned or controlled by the State or counties, without permission;
- (3) Take, appropriate, excavate, injure, destroy, or alter any burial site, or its contents, during the course of land development or land alteration activities that have not been approved under section 6E-42, Hawaii Revised Statutes; and
- (4) Fail to stop work in the immediate area and report the discovery in cases when a burial site is discovered.

This bill also clarifies that the unlawful actions set forth in paragraphs (1) through (4) above are also subject to civil and administrative penalties under the historic preservation law, which are in addition to the criminal penalties provided under the historic preservation law and any other penalties that may be imposed pursuant to law.

Moreover, this bill establishes that it is a civil and administrative violation to knowingly fail to re-inter human remains discovered on private lands or lands owned by the State or counties, in a reasonable period of time as determined by the Department of Land and Natural Resources (DLNR).

DLNR, the Office of Hawaiian Affairs, and Pae 'Aina Communications, LLP, testified in support of this bill.

Your Committee has amended this bill by making technical, nonsubstantive amendments for clarity, consistency, and style, including:

- (1) Adding the definition of "person" as any individual, firm, corporation, partnership, or association, and amending the bill accordingly to avoid repetitiousness;
- (2) Amending section 6E-11.5, HRS, to except the provisions of section 6E-11, and distinguish between the civil and criminal penalties provided by the bill; and
- (3) Adding a savings clause.

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 H.B. No. 712, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 712, H.D. 2.

Signed by all members of the Committee except Representatives Herkes and Thielen.

SCRep. 840 Judiciary on H.B. No. 1442

The purpose of this bill is to enable the public to easily and safely traverse shoreline areas by requiring each county to adopt ordinances mandating a subdivider or developer to dedicate land for public access by right-of-way or easement to implement lateral public access connecting existing or proposed access points to the shoreline.

The Office of the County Attorney of the County of Kauai and Life of the Land testified in support of this bill. The Department of Land and Natural Resources supported the intent of this measure. The Land Use Research Foundation of Hawaii and the Hawaii Association of Realtors opposed this bill.

Your Committee finds that this bill's provisions will help improve public access to and along the shoreline, but also notes that concerns have been raised about the potential difficulties of implementing lateral public access along shorelines with topographical limitations or other impediments caused by existing adjacent land uses.

Accordingly, your Committee has amended this bill by:

- (1) Specifying that the requirement to implement lateral public access connecting access points to the shoreline applies only if public access is reasonable and not precluded by topography; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1442, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1442, H.D. 2.

Signed by all members of the Committee except Representatives Herkes and Thielen.

SCRep. 841 Judiciary on H.B. No. 98

The purpose of this bill is to help preserve marine resources by prohibiting net fishing in Kahului Harbor.

A concerned individual testified in support of this bill and submitted a petition signed by hundreds of concerned individuals supporting this measure. The Departments of Transportation and Land and Natural Resources offered comments.

Your Committee finds that restrictions on activities such as net fishing will help ensure the viability of marine resources in Kahului Harbor.

Your Committee has amended this bill by allowing persons to use throw net, opae net, crab net, or nehu net not longer than fifty feet to take nehu from Kahului Harbor for family consumption or bait.

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 H.B. No. 98, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 98, H.D. 2.

Signed by all members of the Committee except Representatives Herkes and Thielen.

SCRep. 842 Judiciary on H.B. No. 1550

The purpose of this bill is to protect the health and safety of diabetic students by allowing Department of Education (DOE) personnel to administer medication to these students in an emergency. Specifically, this bill:

- (1) Authorizes DOE to permit its employees and agents to voluntarily administer medication, excluding insulin, to diabetic students in emergencies;
- (2) Requires the student's parent or guardian to provide the DOE with written authorization for the emergency administration of medication;
- (3) Requires DOE employees and agents who volunteer to administer medication to a diabetic student in an emergency to receive proper instruction by a qualified health professional; and
- (4) Provides DOE, its personnel, and any qualified health professional who trains DOE personnel to administer medication, immunity from civil or criminal liability arising from the self-administration or emergency administration of medication, except in cases involving gross negligence, wilful and wanton misconduct, or intentional misconduct.

DOE, the Department of Health, and numerous concerned individuals testified in support of this bill. The American Diabetes Association and numerous concerned individuals supported the intent of this measure and suggested amendments. The Hawaii State Teachers Association and Consumer Lawyers of Hawaii opposed this bill.

Your Committee finds that this measure will allow properly trained DOE personnel to administer medication to diabetic students in emergencies. Additionally, the American Diabetes Association has suggested amendments limiting the scope of this bill to the emergency administration of glucagon, which is the specific medical response to a severe low blood glucose emergency. Your Committee also notes that qualified health professionals who would train DOE personnel under this measure are already subject to standards of professional conduct that preclude inclusion of these individuals under the immunity from liability provided by this bill.

Accordingly, your Committee has amended this bill by:

- (1) Limiting to glucagon, the type of medication that may be administered to diabetic students by DOE personnel in an emergency;
- (2) Requiring written certification from the diabetic student's physician that the student has physician's orders allowing glucagon to be administered by a volunteer;
- (3) Specifying that physicians who train DOE personnel to administer glucagon in emergencies must be licensed;
- (4) Removing the provision granting qualified health professionals immunity from liability arising from injuries caused by DOE personnel trained by these professionals;
- (5) Adding a defective date to encourage further discussion; and
- (6) Making 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 H.B. No. 1550, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1550, H.D. 1.

Signed by all members of the Committee except Representative Kanoho.

SCRep. 843 Judiciary on H.B. No. 883

The purpose of this bill is to establish that the owner of a dwelling unit that is rented to a tenant is liable for the unlawful actions of the tenant under certain conditions.

A concerned citizen supported this bill. Kamehameha Schools offered comments. A concerned citizen opposed this bill.

Your Committee distributed a proposed draft of H.B. No. 883 for review and consideration before decision-making on this bill. The concerned citizen, who opposed the original draft of the bill as referred to your Committee, offered comments on the proposed draft of H.B. No. 883.

Your Committee has amended this bill by deleting its contents and inserting the provisions of the proposed draft of H.B. No. 883 with amendments. As amended, this bill:

- (1) Allows a person who brings a nuisance abatement action against a place used for the purpose of committing drug offenses to recover economic and non-economic damages, exemplary damages, reasonable attorneys fees, and the cost of suit; and
- (2) Contains an effective date of July 1, 2020, to promote 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 H.B. No. 883, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 883, H.D. 1.

Signed by all members of the Committee except Representatives Herkes and Thielen.
(Representative Marumoto voted no.)

SCRep. 844 Judiciary on H.B. No. 150

The purpose of this bill is to improve traffic safety by establishing a provisional driver-licensing program consisting of graduated driver licensing in three stages for persons under the age of 18. Among other things, this bill:

- (1) Requires applicants for provisional licenses to be 16 or 17 years of age and to have held an instruction permit for at least 180 days, among other requirements;
- (2) Requires a provisional licensee or holder of an instruction permit to be accompanied by a licensed parent or guardian occupying a seat beside the licensee or permit holder when driving between the hours of 11:00 p.m. and 5:00 a.m.;
- (3) Provides exceptions for provisional licensees driving to or from the licensee's place of employment or a school-authorized activity;
- (4) Allows a provisional licensee to transport no more than one person under the age of 18 and who is unrelated to the licensee unless the licensee's parent or guardian is in the motor vehicle; and
- (5) Requires instruction permit holders, when driving, to be accompanied by an individual who is at least 21 years of age and licensed.

The Departments of Transportation and Health, Department of the Prosecuting Attorney of the City and County of Honolulu, Honolulu Police Department, EMS Division of the Hawaii County Fire Department, Mothers Against Drunk Driving-Hawaii, Hawaii Insurers Council, State Farm Mutual Automobile Insurance Company, American Academy of Pediatrics-Hawaii Chapter, Keiki Injury Prevention Coalition, and a concerned individual testified in support of this bill. The Department of Customer

Services of the City and County of Honolulu supported this measure with amendments. The Department of Education supported the intent of this bill. The Office of the Public Defender opposed this measure. The Judiciary offered comments.

Your Committee finds that the establishment of a graduated driver licensing system for young drivers, including nighttime driving restrictions, will help reduce instances of traffic accidents and fatalities involving teen drivers.

Your Committee has amended this bill by:

- (1) Giving the District Court and Family Court concurrent jurisdiction over suspensions or revocations of provisional licenses;
- (2) Providing that provisional licenses expire on the licensee's nineteenth birthday rather than two months after the licensee's eighteenth birthday, to allow licensees more time to apply for a full driver license;
- (3) Changing the effective date of this bill from January 1, 2006, to January 9, 2006; and
- (4) Making 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 H.B. No. 150, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 150, H.D. 2.

Signed by all members of the Committee except Representative Kanoho.

SCRep. 845 Judiciary on H.B. No. 540

The purpose of this bill is to provide immunity from prosecution for leaving an unharmed newborn at a hospital, fire station, or police station within 72 hours of birth. The bill also provides hospitals, fire stations, and police stations immunity from liability for receiving a newborn. Although the person relinquishing the child may voluntarily disclose their identity, the person must provide a medical history of the newborn.

The Hawaii Catholic Conference, Hawaii Family Forum, and a concerned individual testified in support of this bill. The Department of the Prosecuting Attorney of the City and County of Honolulu supported the intent of this measure. The Department of Human Services (DHS) opposed this bill.

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

Your Committee encourages DHS to look into developing forms that persons dropping off newborns can voluntarily complete and return, so as not to deter drop-offs. These forms would include a section for information pertaining to the newborn's medical and genealogical history, to address the concerns raised by DHS and in the Governor's veto message on H.B. No. 133, on June 20, 2003, and any other information that DHS determines to be significant. The forms can then be returned immediately, dropped off at a later time, mailed, or returned in whatever way DHS determines is best.

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 H.B. No. 540, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 540, H.D. 2.

Signed by all members of the Committee except Representatives Herkes and Thielen.

SCRep. 846 Judiciary on H.B. No. 833

The purpose of this bill is to protect homeowners by:

- (1) Giving residential landowners civil immunity for damages sustained by a trespasser with intent to commit a crime;
- (2) Increasing the scope of "dwelling," in the context of criminal trespass in the first degree, to include the premises of the dwelling; and
- (3) Expanding the crime of theft in the third degree to include the theft of property of any value while committing criminal trespass in the first degree of a dwelling, hotel, or an apartment building.

A concerned individual submitted testimony in support of this measure. The Office of the Public Defender opposed this bill. The City and County of Honolulu Department of the Prosecuting Attorney and County of Kauai Office of the Prosecuting Attorney provided comments.

Your Committee received testimony stating that the provisions that include property theft while committing criminal trespass in the first degree may result in a lesser offense than currently provided for by law.

Accordingly, your Committee has amended this bill by:

- (1) Removing the provision that expanded the crime of theft in the third degree to include the theft of property while committing criminal trespass in the first degree;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making 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 H.B. No. 833, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 833, H.D. 1.

Signed by all members of the Committee except Representative Herkes.

SCRep. 847 Higher Education on H.B. No. 15

The purpose of this bill is to restore the ability of the University of Hawaii (UH) to establish internal policies and procedures for the procurement of goods, services, and construction, by exempting it from the Hawaii Procurement Code (Code). However, the bill encourages the UH Board of Regents to use the provisions of the Code where possible.

UH testified in support of this bill. The State Procurement Office offered comments.

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

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 15, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 15, H.D. 1.

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

SCRep. 848 Energy & Environmental Protection/Water, Land, & Ocean Resources on H.B. No. 422

The purpose of this bill is to protect Hawaii's marine environment from pollution associated with discharge from cruise ships. Among other things this measure, which establishes a new part in chapter 342D, Hawaii Revised Statutes:

- (1) Regulates discharges from commercial passenger vessels, specifically discharges of sewage, other wastewater, and air emissions;
- (2) Requires owners or operators of commercial passenger vessels to:
 - (A) Maintain records of discharges of sewage and other wastewater into the marine waters of the State, and of the opacity of air emissions;
 - (B) Provide reports detailing discharges and air emissions to the Department of Health (DOH) upon request; and
 - (C) Submit to DOH copies of any reports of hazardous waste or hazardous substances, sewage, or opacity of air emissions required by the federal government;
- (3) Permits DOH to engage in efforts to encourage and recognize superior environmental protection efforts made by owners or operators of commercial passenger vessels;
- (4) Subjects violations of the requirements in this bill to fines established by DOH;
- (5) Provides exemptions that include discharges to secure safety or save a life, and for commercial passenger vessels that operate in the marine waters of the State solely in innocent passage; and
- (6) Provides DOH flexibility in establishing alternative terms and conditions for vessel discharges applicable to an owner or operator of a vessel who cannot practicably comply with established regulations.

Numerous concerned individuals testified in support of this bill. The Office of Hawaiian Affairs, a member of the Maui County Council, Kahea Hawaii-Environmental Alliance, Sierra Club Hawaii Chapter, Association of Hawaiian Civic Clubs, Hawaii Audubon Society, Annette's Adventures, and numerous concerned individuals supported this measure with amendments. A member of the Hawaii County Council, Earthjustice, and numerous concerned individuals supported the intent of this bill. DOH, Norwegian Cruise Lines and NCL America, and North West Cruiseship Association opposed this measure. The University of Hawaii Environmental Center, Life of the Land, and a concerned individual offered comments.

Your Committee has amended this bill by:

- (1) Clarifying that the State is permitted to:
 - (a) Enter into voluntary agreements with any owners or operators of commercial passenger vessels to control pollution outside the State's marine waters; and
 - (b) Adopt pollution controls more stringent than those provided by this bill;
- (2) Deleting the reference to the Convention on the Territorial Sea and the Contiguous Zone in regards to innocent passage; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 422, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 422, H.D. 2.

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

SCRep. 849 Finance on H.B. No. 1413

The purpose of this bill is to increase the opportunities of native Hawaiian home lands to mortgage their leasehold interest by allowing lending institutions to make mortgage loans on Hawaiian home lands that are insured or guaranteed by private mortgage insurance acceptable to the Hawaiian Homes Commission.

The Representative of the Forty-Forth District, the Department of Hawaiian Home Lands, and American Savings Bank supported this measure.

It is the intent of your Committee that as may lending institutions that wish to participate in the new opportunity granted by this legislation are able to do so. Your Committee wishes to note that this bill is in no way intended to benefit any single or small group of lenders.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2010 to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 167, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 167, H.D. 2.

Signed by all members of the Committee.

SCRep. 850 Finance on H.B. No. 167

The purpose of this bill is to establish that, for rental reopenings of state agricultural leases, fair market rental shall be determined through an income capitalization approach that considers the potential agricultural yield from the property.

The Hawaii Agriculture Research Center, Big Island Farm Bureau, and the Hawaii Farm Bureau Federation testified in support of this measure. The Department of Land and Natural Resources opposed this bill. The Department of Agriculture provided comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2010 to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 167, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 167, H.D. 2.

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

SCRep. 851 Finance on H.B. No. 168

The purpose of this bill is to revitalize Hawaii's agricultural industry by appropriating \$1,000,000 for fiscal year 2005-2006, and \$1,000,000 for fiscal year 2006-2007, for agricultural research and market development conducted by the Hawaii Farm Bureau Federation (HFBF).

The Hawaii Agriculture Research Center, HFBF, Big Island Farm Bureau, Kauai County Farm Bureau, Maui County Farm Bureau, Hawaii Aquaculture Association, Hawaii Crop Improvement Association, Pineapple Growers Association of Hawaii, Gay & Robinson, Inc., Kaupo Ranch, Ltd., Hawaii Cattlemen's Council, Meadow Gold Dairies, and a concerned citizen supported this bill. The Department of Agriculture supported the intent of this measure. A concerned citizen opposed this bill.

Your Committee has amended this bill by:

- (1) Changing the appropriation amount to \$1 for each fiscal year to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and substance.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 168, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 168, H.D. 2.

Signed by all members of the Committee.

SCRep. 852 Finance on H.B. No. 1082

The purpose of this bill is to develop solutions to the growing problem of agricultural theft by:

- (1) Establishing a temporary Agricultural Crime Abatement Task Force (Task Force) to develop policies and programs for implementation by the Department of Agriculture to abate agriculture-related crime throughout the state; and
- (2) Appropriating funds for the establishment and operation of the Task Force.

The Hawaii Agriculture Research Center, Hawaii Farm Bureau Federation, Big Island Farm Bureau, Maui County Farm Bureau, Hawaii Aquaculture Association, Kaupo Ranch, Ltd., Pineapple Growers Association of Hawaii, Hawaiian Marine Enterprises, and Hawaii Cattlemen's Council testified in support of this bill. The Department of Agriculture testified in support of the intent of this measure.

Your Committee has amended this measure by making technical, nonsubstantive amendments for 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 H.B. No. 1082, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1082, H.D. 3.

Signed by all members of the Committee.

SCRep. 853 Finance on H.B. No. 1200

The purpose of this bill is to address specific concerns of agricultural businesses operating under the State Enterprise Zone (EZ) Program by providing that agricultural businesses shall remain eligible for all EZ tax incentives during any period of interruption or inability to meet the EZ requirements caused by a force majeure event, such as pest outbreaks or damaging weather. This bill also:

- (1) Extends the eligibility period for agricultural businesses under the EZ Program by the duration, in months, of the force majeure event; and
- (2) Allows an agricultural business to meet annual gross revenue requirements if the business is unable to meet the annual full-time employee requirements of the EZ Program.

The Department of Business, Economic Development, and Tourism, the Department of Agriculture, Hawaii Agriculture Research Center, Hawaii Farm Bureau Federation, Big Island Farm Bureau, Kauai County Farm Bureau, Maui County Farm Bureau, Hawaii Aquaculture Association, Hawaii Crop Improvement Association, Hawaii Cattlemen's Council, and a member of the Maui County Council testified in support of this bill. The Department of Taxation supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2010, to encourage continuing discussion; and
- (2) Making technical, nonsubstantive amendments for 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 H.B. No. 1200, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1200, H.D. 2.

Signed by all members of the Committee.

SCRep. 854 Finance on H.B. No. 852

The purpose of this bill is to:

- (1) Exempt proceedings of the Public Utilities Commission from automatic permit approval provisions; and
- (2) Specify that the lack of quorum by an issuing agency shall not initially be applicable to the automatic permit approval provisions.

The Public Utilities Commission and the Land Use Research Foundation of Hawaii supported this bill. The Office of Hawaiian Affairs supported this bill with amendments. The Environmental Center of the University of Hawaii, and Sierra Club Hawaii Chapter supported the intent of this measure.

Your Committee has amended this bill by changing the effective date to July 1, 2010, to promote 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 H.B. No. 852, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 852, H.D. 2.

Signed by all members of the Committee except Representatives Wakai and Pine.

SCRep. 855 Finance on H.B. No. 1020

The purpose of this bill is to:

- (1) Clarify the definition of "shoreline";
- (2) Prohibit shoreline planting to establish the shoreline or for certification purposes; and
- (3) Authorize the State Land Surveyor to rescind a shoreline certification based on a misrepresentation in the application.

A member of the Maui County Council and the Sierra Club, Hawaii Chapter, supported this bill. The Office of Hawaiian Affairs supported this bill with amendments. The Board of Land and Natural Resources and the Land Use Research Foundation of Hawaii opposed this measure. The Environmental Center of the University of Hawaii provided comments on this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1020, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1020, H.D. 3.

Signed by all members of the Committee except Representatives Wakai and Pine.
(Representatives Fox and Moses voted no.)

SCRep. 856 Finance on H.B. No. 1276

The purpose of this bill is to allow the Department of Land and Natural Resources to enter into indemnity and defense agreements to protect landowners and persons associated with landowners from the threat of liability from someone who may be hurt while crossing private property to access a public trail.

The Department of Land and Natural Resources, Office of Hawaiian Affairs, Hawaii Association of Realtors, and Castle and Cooke Hawaii supported this bill.

Your Committee has amended this bill by making technical, nonsubstantive changes for 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 H.B. No. 1276, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1276, H.D. 3.

Signed by all members of the Committee except Representatives Wakai and Pine.

SCRep. 857 Finance on H.B. No. 769

The purpose of this bill is to:

- (1) Exempt electric utility cooperative associations (cooperative association) from the unclaimed property law;
- (2) Require that the cooperative association submit an annual unclaimed property report to the Director of Finance;
- (3) Ensure that the cooperative association remain responsible for payment of all future claims on the reported property; and
- (4) Ensure that the unclaimed property be used for charitable purposes or for the benefit of the general membership of the cooperative.

The Kauai Island Utility Cooperative (KIUC) and the Chair and Vice-Chair of the Board of Directors of KIUC supported this bill. The Department of Budget and Finance supported the intent of this measure.

Your Committee has amended this bill by making technical, nonsubstantive amendments for 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 H.B. No. 769, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 769, H.D. 3.

Signed by all members of the Committee except Representatives Carroll, Evans, Takamine and Pine.

SCRep. 858 Finance on H.B. No. 1017

The purpose of this bill is to encourage the use of alternative energy by removing restrictions against the installation of solar energy devices in townhouses and other residential dwellings that fall within an association of homeowners, community association, cooperative, or similar entity. Specifically, this measure:

- (1) Allows, with limited restrictions, for installation of solar energy devices on any privately-owned, single-family residential dwelling or townhouse; and

- (2) Requires associations or cooperatives to adopt rules regarding the placement of solar energy devices.

The Hawaii Solar Energy Association, Hawaii Renewable Energy Alliance, Inter-Island Solar Supply, and Hawaii PVCoalition testified in support of this measure. The Department of Business, Economic Development, and Tourism supported the intent of the bill. The Mililani Town Association opposed this measure.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2010, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1017, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1017, H.D. 3.

Signed by all members of the Committee except Representatives Carroll, Evans, Takamine and Pine.

SCRep. 859 Finance on H.B. No. 1555

The purpose of this bill is to authorize the issuance of up to \$30,000,000 in special purpose revenue bonds to assist Hualalai Academy to finance the planning, acquisition, construction, and improvement of its educational facilities.

Hualalai Academy and the Hawaii Association of Independent Schools testified in support of this measure. The Department of Budget and Finance provided comments.

Your Committee has amended this bill by changing the effective date to July 1, 2010, to encourage 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 H.B. No. 1555, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1555, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Evans, Takamine and Pine.

SCRep. 860 Finance on H.B. No. 1605

The purpose of this bill is to appropriate funds to:

- (1) Hawaii 3R's school repair and maintenance fund; and
- (2) The Department of Education (DOE) for funding of the Hawaii 3R's coordinator position.

The DOE, Hawaii 3R's, Hawaii Business Roundtable, Hawaii Government Employees Association, American Institute of Architects-Hawaii State Council, Ho'okako'o Corporation, Durus International Corporation, America's Promise Hawaii-The Alliance for Youth, American Society of Civil Engineers-Hawaii Section, and numerous educators and individuals testified in support of this measure. The Department of Accounting and General Services supported the intent of this bill.

Your Committee has amended this measure by:

- (1) Changing all appropriations to \$1 to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1605, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1605, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Evans, Takamine and Pine.

SCRep. 861 Finance on H.B. No. 281

The purpose of this bill is to alleviate the shortage of nurses and nurse educators by establishing the Nursing Scholars Program to provide scholarships to individuals pursuing graduate nursing degrees.

The University of Hawaii at Manoa School of Nursing and Dental Hygiene, Hawaii Government Employees Association, Healthcare Association of Hawaii, Hawaii Pacific Health, Hawaii State Center for Nursing, Queen's Medical Center, and a concerned individual testified in support of this bill. The University of Hawaii supported the intent of this measure.

Your Committee has amended this bill by making technical, nonsubstantive amendments for 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 H.B. No. 281, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 281, H.D. 2.

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

SCRep. 862 Finance on H.B. No. 912

The purpose of this bill is to support the growth of small businesses through management-force training by appropriating funds to the Hawaii Small Business Development Center Network.

The Mayor of the County of Hawaii, Office of Economic Development of the County of Kauai, Office of Economic Development of the County of Maui, Maui Economic Development Board, Inc., Economic Development Alliance of Hawaii, Hawaii Small Business Development Center Network, Kona Pacific Farmers Cooperative, BB Pumping Services, LLC., Kina'ole Inc. Ululani Pharmacy, Environmental Waste Management Systems, Inc., Good Kine Inc., and several concerned individuals testified in support of this bill. The Department of Business, Economic Development, and Tourism supported the intent of this measure.

Your Committee has amended this measure by:

- (1) Changing all appropriations to \$1 to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 912, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 912, H.D. 1.

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

SCRep. 863 Finance on H.B. No. 99

The purpose of this bill is to adjust the filing fees within the Uniform Securities Act.

The Chamber of Commerce of Hawaii supported this bill. The Department of Commerce and Consumer Affairs supported the intent of this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 99, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 99, H.D. 1.

Signed by all members of the Committee except Representatives Fox and Pine.

SCRep. 864 Finance on H.B. No. 160

The purpose of this bill is to:

- (1) Provide a formula for determining assessments to be paid by each line of insurance regulated under the Insurance Code;
- (2) Cap the assessments at a total of \$2,000,000 per fiscal year; and
- (3) Require the Auditor to perform an annual financial and management audit of the insurance regulation sub-account of the Compliance Resolution Fund.

The Hawaii Insurers Council and Hawaii Medical Service Association supported this bill. The Department of Commerce and Consumer Affairs opposed this measure. The American Council of Life Insurers and NAIFA Hawaii provided comments on this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 160, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 160, H.D. 2.

Signed by all members of the Committee except Representatives Fox and Pine.

SCRep. 865 Finance on H.B. No. 393

The purpose of this bill is to provide that unpaid civil fines and unpaid administratively imposed civil fines shall not constitute a lien in favor of the counties on the debtor's real or personal property.

The Hawaii Credit Union League, Hawaii Financial Services Association, Hawaii Bankers Association, and Mortgage Bankers Association of Hawaii testified in support of this bill. The City and County of Honolulu Department of Planning and Permitting strongly opposed this measure.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2010 to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 393, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 393, H.D. 1.

Signed by all members of the Committee except Representatives Fox and Pine.

SCRep. 866 Finance on H.B. No. 390

The purpose of this bill is to assist the motor vehicle rental industry by repealing a temporary increase in the rental motor vehicle surcharge tax from \$2.00 per day to \$3.00 per day that was to occur between September 1, 1999, and August 31, 2007.

The Department of Transportation and the Department of Taxation testified in opposition to this bill. The Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2010, for the purpose of continuing discussion; and
- (2) Making technical, nonsubstantive amendments for 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 H.B. No. 390, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 390, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Evans, Takamine and Pine.

SCRep. 867 Finance on H.B. No. 1556

The purpose of this bill is to support business in the state by authorizing the issuance of special purpose revenue bonds to assist PLK Air Services Group, LLC, in planning, designing, constructing, equipping, and furnishing a Kona coffee and macadamia manufacturing facility and air cargo logistics and fulfillment center at Kona International Airport.

The Department of Budget and Finance and Kona Pacific Farmers Cooperative offered comments on this bill.

Your Committee has amended this bill by changing the lapsing and effective dates to June 30, 2010, to encourage 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 H.B. No. 1556, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1556, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Evans, Takamine and Pine.
(Representative Fox voted no.)

SCRep. 868 Finance on H.B. No. 171

The purpose of this bill is to support officers and employees of the State who are called to active duty in the armed forces and serve in a hostile fire zone by compensating them with the difference between their gross monthly state income and their gross monthly military income, if their state income exceeds the military income.

The Department of Human Resources Development, Department of Defense, The Chamber of Commerce of Hawaii, Hawaii Government Employees Association AFSCME Local 152, AFL-CIO, Hawaii National Guard Enlisted Association, and a concerned individual testified in support of this measure.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2010; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 171, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 171, H.D. 3.

Signed by all members of the Committee.

SCRep. 869 Finance on H.B. No. 172

The purpose of this bill is to establish an Employment of National Guard Members Income Tax Credit (Tax Credit) for taxpayers that pay or incur salary or wage costs for qualified employees who are active members of the Hawaii National Guard. Specifically, this bill establishes the Tax Credit at five percent of the qualified employee's salary or wage costs and limits the Tax Credit to \$1,000 per qualified employee per taxable year.

The Department of Defense, The Chamber of Commerce of Hawaii, Hawaii National Guard Enlisted Association, and a concerned citizen supported this bill. The Department of Taxation and Tax Foundation of Hawaii offered comments.

Your Committee notes that while its members appreciate the valiant efforts and sacrifices made by all of Hawaii's military, this legislation is intended, especially, to help those enlisted members, non-commissioned officers, and junior officers who can most benefit from the Tax Credit contained within.

Your Committee has amended this bill by:

- (1) Changing the amount of the tax credit to an unspecified percentage to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 172, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 172, H.D. 2.

Signed by all members of the Committee.

SCRep. 870 Finance on H.B. No. 295

The purpose of this bill is to provide members of the Hawaii National Guard who are activated to federal service outside the state with an extension of time to renew their professional or vocational licenses, without penalty, if the licensee provides the licensing authority with at least 30 days prior notice, and the renewal application is filed within 90 days of the member's release from active duty outside of Hawaii.

The state Department of Defense, The Chamber of Commerce of Hawaii, Hawaii National Guard Enlisted Association, and several concerned individuals testified in support of this bill. The Department of Commerce and Consumer Affairs supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2010, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 295, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 295, H.D. 2.

Signed by all members of the Committee.

SCRep. 871 Finance on H.B. No. 329

The purpose of this bill is to support military families in Hawaii by establishing a Military Dependent Tax Credit (Tax Credit) for certain members of the Hawaii National Guard and the Reserves of the United States Army, Navy, Air Force, Marine Corps, and Coast Guard. Specifically, this bill establishes the Tax Credit at \$100 for each member who claims a qualified dependent.

The Chamber of Commerce of Hawaii, Hawaii National Guard Enlisted Association, and a concerned citizen supported this bill. The Department of Defense supported the intent of this bill. The Department of Taxation and Tax Foundation of Hawaii offered comments.

Your Committee notes that while its members appreciate the valiant efforts and sacrifices made by all of Hawaii's military, this legislation is intended, especially, to help those enlisted members, non-commissioned officers, and junior officers who can most benefit from the Tax Credit contained within.

Your Committee has amended this bill by:

- (1) Changing the amount of the Tax Credit to an unspecified amount to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 329, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 329, H.D. 1.

Signed by all members of the Committee.

SCRep. 872 Finance on H.B. No. 343

The purpose of this bill is to improve coordination of state support for military personnel and their involvement in educational activities by appropriating funds for one temporary position within the Department of Defense (DOD).

The Hawaii National Guard Enlisted Association, The Chamber of Commerce of Hawaii, and one individual testified in support of this bill. DOD offered comments.

Your Committee has amended this bill by:

- (1) Changing the appropriation to \$1 for the purpose of continuing discussion; and
- (2) Making technical, nonsubstantive amendments for style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 343, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 343, H.D. 1.

Signed by all members of the Committee.

SCRep. 873 Finance on H.B. No. 1784

The purpose of this bill is to strengthen Hawaii's role in international affairs by creating a task force to study this role and to make recommendations for the establishment of an Office of International Affairs.

The Department of Business, Economic Development, and Tourism supported the intent of this bill with budgetary concerns.

Your Committee has amended this bill by:

- (1) Changing the appropriation amount to \$1; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1784, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1784, H.D. 2.

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

SCRep. 874 Finance on H.B. No. 631

The purpose of this bill is to clarify and correct the language of various Employees' Retirement System (ERS) statutes and conform ERS statutes to current practices. Among other things, this bill:

- (1) Requires the ERS to comply with federal income tax limits on compensation in determining ordinary death benefits;
- (2) Specifies which appointed county positions qualify for contributory plan membership;
- (3) Allows death benefits to be paid consistent with the employee's actual eligibility for those benefits;
- (4) Allows the ERS to calculate a retiree's pension based on the benefit formula at the time of retirement rather than at the time of separation from service;
- (5) Requires the counties to remit employer contributions to the ERS on a monthly basis rather than semiannually;
- (6) Specifies that the cost to convert noncontributory plan service to hybrid plan service will be based on the member's age in full years and the member's basic rate of pay as of June 30, 2006; and
- (7) Eliminates the deadline for claiming and purchasing hybrid plan membership service credit and allows the acquisition of qualifying service credit at any time prior to retirement to be consistent with current contributory plan procedures.

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

Your Committee has amended this measure by making technical, nonsubstantive amendments for 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 H.B. No. 631, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 631, H.D. 1.

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

SCRep. 875 Finance on H.B. No. 1152

The purpose of this bill is to:

- (1) Require the Department of Transportation (DOT) to conduct a comprehensive review of past studies of traffic flow in the corridor from Central Oahu to the H-1 Freeway, including any proposals to extend contra-flow lanes to Mililani, and make recommendations to improve traffic flow in the area; and
- (2) Appropriate funds to facilitate DOT's study.

The Mililani/Waipio/Melemanu Neighborhood Board supported this bill. The Department of Transportation supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Instructing DOT to include a comprehensive review of regional connectivity and travel time mitigation in the Central Oahu area;
- (2) Mandating DOT to establish a task force to provide advisory assistance to DOT; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1152, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1152, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Evans, Takamine and Pine.
(Representative Moses voted no.)

SCRep. 876 Finance on H.B. No. 713

The purpose of this bill is to clarify that participation in work, education, and vocational training programs while incarcerated is excluded from the type of service that is considered employment for the purposes of statutory employee benefits requirements.

The Department of Labor and Industrial Relations testified in support of this bill. The Department of Public Safety commented on the measure and requested amendments.

Your Committee has amended this measure by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 713, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 713, H.D. 1.

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

SCRep. 877 Finance on H.B. No. 954

The purpose of this bill is to support agriculture in the state and provide improvements for agricultural infrastructure by appropriating:

- (1) \$200,000 for the planning and construction of the Honomalino Irrigation System in Kona, Hawaii; and
- (2) \$500,000 to prepare the Agricultural Water Use and Development Plan.

The Hawaii Agriculture Research Center, Big Island Farm Bureau, Hawaii Farm Bureau Federation, Maui County Farm Bureau, Hawaii Crop Improvement Association, and Pineapple Growers Association of Hawaii testified in support of this bill. The Department of Agriculture and Department of Land and Natural Resources supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Changing the appropriation amounts to \$1; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 954, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 954, H.D. 1.

Signed by all members of the Committee.

SCRep. 878 Finance on H.B. No. 1033

The purpose of this bill is to provide equitable treatment for farmers by establishing a refundable Farmers Irrigation Income Tax Credit that is equal to the difference between the amount paid by a farmer for water purchased from the county, and the amount that the farmer would have paid for water had the farmer had access to a state irrigation system.

The Hawaii Agriculture Research Center, Hawaii Farm Bureau Federation, Big Island Farm Bureau, Maui County Farm Bureau, and Land Use Research Foundation of Hawaii testified in support of this bill. The Department of Agriculture supported the intent of this measure. The Department of Taxation opposed this bill. The Tax Foundation of Hawaii submitted comments.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2010, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1033, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1033, H.D. 1.

Signed by all members of the Committee.

SCRep. 879 Finance on H.B. No. 1308

The purpose of this bill is to provide funding for land conservation efforts by:

- (1) Redesignating the Fund for the Environment as the Land Conservation Fund (Fund);
- (2) Dedicating 25 percent of the annual conveyance tax revenues to the Fund; and
- (3) Providing that the Fund shall be used for the acquisition of interests or rights in lands having value as state resources based upon applications from state and county agencies and nonprofit land conservation organizations, and that grants to the latter two entities shall occur only where matching funds of at least 25 percent are available.

The Office of Hawaiian Affairs, two members of the Hawaii County Council, a member of the Maui County Council, North Shore Neighborhood Board No. 27, Trust for Public Land, Big Island Farm Bureau, Nature Conservancy of Hawaii, Sierra Club-Hawaii Chapter, Koolau Mountains Watershed Partnership, Kona Land Trust, Maui Coastal Land Trust, Conservation Council for Hawaii, KAHEA: The Hawaiian-Environmental Alliance, Malama Na Wahi Pana O Kohala, Malama Kohala Kahakai, Ducks Unlimited, Inc., Hawaii's Thousand Friends, Pahala Plantation Cottages, Ocean View Chamber of Commerce, and numerous concerned individuals testified in support of this bill. The Hawaii Agriculture Research Center supported the intent of this measure. The Departments of Agriculture, Taxation, and Land and Natural Resources opposed this bill. The Land Use Research Foundation of Hawaii and Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Exempting the Fund from central service fees deducting five percent of all receipts of all special funds that are not exempted under section 36-27, Hawaii Revised Statutes;
- (2) Changing the effective date to July 1, 2010, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1308, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1308, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Evans, Takamine and Pine.

SCRep. 880 Finance on H.B. No. 1476

The purpose of this bill is to preserve the visual, cultural, and historical aspects of the Kohala Historical Sites State Monument (State Monument) in North Kohala, Hawaii. This bill directs the Department of Land and Natural Resources (DLNR) to acquire, through land exchange, various parcels of adjacent lands that would serve as a buffer as well as public access to the cluster of historical sites that comprise the State Monument.

The Office of Hawaiian Affairs testified in support of this measure. Mo'okini Luakini, Inc., supported the intent of this bill. DLNR provided comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2010, to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1476, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1476, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Evans, Takamine and Pine.

SCRep. 881 Finance on H.B. No. 1238

The purpose of this bill is to Authorize issuance of special purpose revenue bonds to Honolulu Seawater Air Conditioning, LLC, to design and construct a chilled water distribution system for a district cooling system in downtown Honolulu.

The Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs and Honolulu Seawater Air Conditioning, LLC, supported this bill. The Department of Budget and Finance provided comments on this measure.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2010, to promote further discussion on this measure; and
- (2) Making technical, nonsubstantive changes for 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 H.B. No. 1238, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1238, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Evans, Takamine and Pine.

SCRep. 882 Finance on H.B. No. 447

The purpose of this bill is to authorize the Office of Hawaiian Affairs (OHA) to make all necessary and appropriate disbursements of its money by issuing checks in its own name and by any other means.

OHA and a member of the Maui County Council testified in support of this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 447, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 447, H.D. 1.

Signed by all members of the Committee.

SCRep. 883 Finance on H.B. No. 384

The purpose of this bill is to assist the Judiciary in attracting competent counsel to represent indigent criminal defendants by increasing compensation for court-appointed counsel.

The Judiciary, Department of the Attorney General, Department of the Prosecuting Attorney for the County of Maui, Office of the Prosecuting Attorney for the County of Kauai, Office of the Prosecuting Attorney for the County of Hawaii, Office of the Public Defender, Hawaii State Bar Association, Hawaii Association of Criminal Defense Lawyers, and numerous individuals testified in support of this bill. The Department of Budget and Finance submitted comments.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2010, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 384, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 384, H.D. 2.

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

SCRep. 884 Finance on H.B. No. 466

The purpose of this bill is to improve the administration of federal elections with the aid of federal funding by appropriating \$372,341 for fiscal year 2005-2006 and the same sum for fiscal year 2006-2007 which will meet the five percent matching requirement for federal funds under the federal Help America Vote Act of 2002.

The Office of Elections, The League of Women Voters of Hawaii, and Safe Vote Hawaii supported this bill.

Your Committee has amended this measure by:

- (1) Changing the appropriation amount to \$1 for each fiscal year to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 466, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 466, H.D. 2.

Signed by all members of the Committee except Representatives Karamatsu, Nakasone, Fox, Meyer and Pine.

SCRep. 885 Finance on H.B. No. 758

The purpose of this bill is to require the Department of Education (DOE) to adhere to the minimum wage law when setting wages for meal count assistants, adult supervisors, and classroom cleaners.

DOE and the Department of Labor and Industrial Relations supported the intent of this bill and offered amendments.

Accordingly, your Committee has amended this bill by:

- (1) Inserting the minimum wage provisions within chapter 302A, Hawaii Revised Statutes (HRS), relating to education, instead of chapter 387, HRS, relating to the wage and hour law; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 758, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 758, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Evans, Takamine and Pine.

SCRep. 886 Finance on H.B. No. 843

The purpose of this bill is to allow for the recovery of school lunch costs by authorizing the Department of Education (DOE) to raise the price of a school lunch to up to one-half the cost of preparation.

DOE testified in support of this bill.

Your Committee has amended this bill by changing the effective date to July 1, 2010, to promote 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 H.B. No. 843, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 843, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Evans, Takamine and Pine.

SCRep. 887 Finance on H.B. No. 1136

The purpose of this bill is to improve public education through the operation of charter schools by:

- (1) Creating an effective framework for overseeing and supporting new and existing charter schools by establishing a Task Force on Charter School Governance (Task Force) to identify and recommend revisions to the existing charter school law, and appropriating funds for the operations of the Task Force; and
- (2) Ensuring more equitable and stable funding for the basic operations of new century charter schools by updating their funding mechanism and appropriating funds.

Kualapuu School, Kamehameha Schools, the Volcano School of Arts & Sciences, Hookakoo Corporation, and numerous concerned individuals testified in support of this measure. Halau Ku Mana Public Charter School supported this bill with amendments. The Charter School Administrative Office, Department of Education, Hawaii State Teachers Association, and Hawaii Government Employees Association AFSCME Local 152, AFL-CIO supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Changing the appropriation amounts to \$1; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1136, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1136, H.D. 3.

Signed by all members of the Committee except Representatives Carroll, Evans, Takamine and Pine.

SCRep. 888 Finance on H.B. No. 19

The purpose of this bill is to enhance the University of Hawaii's (UH) ability to address student's critical housing needs in a tight rental market by:

- (1) Allowing UH to use sources other than revenues generated through the bond system; and
- (2) Increasing the amount of revenue bonds that the UH Board of Regents (BOR) is authorized to issue,

to finance the construction and repair of student housing units.

UH and the UH Student Senate testified in support of this measure. The Department of Budget and Finance provided comments.

Your Committee has amended this bill by:

- (1) Reinstating the requirement of the Governor's approval before BOR can issue revenue bonds;
- (2) Authorizing the issuance of revenue bonds to finance reserves;
- (3) Inserting provisions that allow this measure to remain in effect in the event that H.B. No. 1, which recodifies various statutes relating to UH, passes the Legislature; and
- (4) Making various technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 19, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 19, H.D. 2.

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

SCRep. 889 Finance on H.B. No. 1028

The purpose of this bill is to assist students who are unable to attend regularly scheduled classes by appropriating \$450,000 to operate the University of Hawaii (UH) School of Social Work's Distance Learning Program.

The UH School of Social Work, Hawaii Youth Services Network, and Hale Opio Kauai, Inc., supported this bill. The National Association of Social Workers supported the intent of this measure.

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 style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1028, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1028, H.D. 2.

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

SCRep. 890 Finance on H.B. No. 1192

The purpose of this bill is to improve Hawaii's botanical and educational resources by appropriating funds for the Harold L. Lyon Arboretum (Arboretum) as follows:

- (1) \$870,000 for fiscal year 2005-2006 and the same sum for fiscal year 2006-2007 for repair and maintenance of the Arboretum; and
- (2) \$1,300,000 for fiscal year 2005-2006 and the same sum for fiscal year 2006-2007 for operating expenses of the Arboretum.

The Hawaii Agriculture Research Center, Community Steering Committee for a Plan for the Future of Lyon Arboretum, and numerous concerned citizens supported this bill. The University of Hawaii and Hawaii Government Employees Association, HEGEA/AFSCME, Local 142, AFL-CIO supported the intent of this bill.

Your Committee has amended this measure by:

- (1) Changing the appropriation amounts to \$1 for each fiscal year to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1192, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1192, H.D. 2.

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

SCRep. 891 Finance on H.B. No. 1179

The purpose of this bill is to promote community service and voluntary citizen involvement in the state by appropriating matching state funds for the administration of the Hawaii Commission for National and Community Service (Commission).

The Commission, University of Hawaii, and several concerned individuals testified in support of this measure.

Your Committee has amended this bill by:

- (1) Changing the appropriation amount to \$1;
- (2) Adding an appropriation for the 2006-2007 fiscal year; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1179, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1179, H.D. 2.

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

SCRep. 892 Finance on H.B. No. 389

The purpose of this bill is to require employers to abide by crosscheck procedures when the State or a county retains or acquires a proprietary interest in a development project.

The Hawaii State AFL-CIO, Hawaii Building and Construction Trades Council, Hawaii Government Employees Association, and the ILWU Local 142 supported this bill.

Your Committee has amended this bill by making technical, nonsubstantive changes for 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 H.B. No. 389, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 389, H.D. 1.

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

SCRep. 893 Legislative Management on H.B. No. 8

The purpose of this bill is to express the deep appreciation and gratitude of the people of Hawaii to the loved ones of members of the military by establishing a Hawaii Medal of Honor for those in the military with ties to Hawaii who made the ultimate sacrifice in defense of our nation and its freedoms. The Hawaii Medal of Honor would be awarded by the Legislature through the adoption of a concurrent resolution.

The Hawaii National Guard Enlisted Association and a concerned individual testified in support of this bill. The Office of Veterans' Services supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 8, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 894 Legislative Management on H.B. No. 595

The purpose of this bill is to clarify conflicting provisions in the statutes regarding public disclosure of reports to the Legislature. This bill specifies that the Attorney General's (AG) confidential report to the Legislature regarding advice given to client agencies on how to avoid future claims against the State shall not be made available to the public.

The AG testified in support of this bill.

Section 37-77.5, Hawaii Revised Statutes (HRS), already deems these AG reports to be confidential and privileged communication and are not to be disclosed. However, under section 93-16, HRS, whenever any government agency is required to submit a report to the Legislature, the report shall be open and easily available to the public. This bill exempts the AG's confidential report to the Legislature from the requirements of section 93-16, HRS.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 595 and recommends that it pass Third Reading.

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

SCRep. 895 Transportation on H.B. No. 1015

The purpose of this bill is to simplify the deposit beverage container program for, among others, commercial passenger vessels, including cruise ships and airlines, by providing an exemption from the requirements of the State's deposit beverage container law for commercial passenger vessels that have recycling programs prescribed to or approved by the Department of Health (DOH)

DOH, Norwegian Cruise Line, NCL America, and the North West Cruiseship Association testified in support of this bill. The Legislative Center on behalf of Anheuser Busch Companies supported the intent of the bill.

Your Committee finds that the current Deposit Beverage Container Law (Bottle Law) does not require distributors to pay a deposit on containers that are exported for consumption outside of the state. During implementation of the Bottle Law, DOH encountered difficulties in tracking specific containers used by airlines and cruiseships and determining whether these containers were consumed within or outside of the state. Moreover, the problem is compounded by the fact that many beverage distributors responsible for paying the deposit and container fee to DOH are one or two steps removed from the sale of containers to cruiseships and airlines, often working with purchasing companies rather than directly with the airline or cruiseship. Your Committee believes that exempting commercial passenger vessels from the requirements of the State's Bottle Law, if they have a DOH-approved recycling program, addresses the problems of tracking these containers while maintaining the integrity of the Bottle Law and continuing to protect Hawaii's environment.

However, your Committee understands the concerns raised by The Legislative Center regarding the ambiguity of the exemption provided for in this measure, and by DOH on the need to address the issue of allowing the crushing or flattening of cans to increase the amount of cans that can be stored in existing storage facilities.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that the exemption for commercial passenger vessels applies to a deposit beverage container that is sold or delivered to an entity operating a commercial passenger vessel when the deposit beverage container is intended for use and consumption on board the commercial passenger vessel;
- (2) Clarifying that the entity operating the commercial passenger vessel is exempt from the requirements of the Bottle Law only if it has a deposit beverage recycling plan prescribed to or approved by DOH;
- (3) Allowing a reverse vending machine to reject a container that does not have a readable barcode;
- (4) Allowing flattened cans to be able to be redeemed for the refund value; and
- (5) Making technical, nonsubstantive amendments for 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 H.B. No. 1015, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1015, H.D. 2.

Signed by all members of the Committee except Representative Shimabukuro.

SCRep. 896 Finance on H.B. No. 353

The purpose of this bill is to improve agricultural production and provide fresh, nutritious food for the Waianae community by appropriating funds for the operation of the Waianae Organic Agriculture Center.

The Hawaii Farm Bureau Federation, Big Island Farm Bureau Federation, Waianae Coast Comprehensive Health Center, Hawaii Alliance for Community-Based Economic Development, and several concerned citizens supported this bill. The Department of Agriculture, Leeward Community College, and a concerned citizen 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 H.B. No. 353, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Nishimoto.

SCRep. 897 Finance on H.B. No. 278

The purpose of this bill is to assist victims of crimes by:

- (1) Requiring that defendants make restitution to victims; and
- (2) Providing that a defendant's financial ability to make restitution payments be considered only for the purpose of establishing a restitution payment schedule.

The Department of the Attorney General, Hawaii Paroling Authority, Hawaii County Office of the Prosecuting Attorney, Crime Victim Compensation Commission, Mothers Against Drunk Driving Hawaii, Sex Abuse Treatment Center, and Hawaii State Coalition Against Domestic Violence testified in support of this bill. The Department of the Prosecuting Attorney of the City and County of Honolulu supported this measure with amendments. A concerned individual opposed this measure. The Office of the Public Defender 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 H.B. No. 278, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Nishimoto.

SCRep. 898 Finance on H.B. No. 1320

The purpose of this bill is to require each county to retain the dispatch recordings of all emergency 9-1-1 calls for a period of at least one year.

The Department of the Prosecuting Attorney for the County of Maui, Office of the Prosecuting Attorney for the County of Hawaii, Honolulu Police Department, and a concerned individual 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 H.B. No. 1320, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 899 Finance on H.B. No. 1750

The purpose of this bill is to appropriate funds to support community-based reintegration programs for female offenders transitioning back into the community.

The ACLU of Hawaii, Community Alliance on Prisons, Corrections Research Institute, TJ Mahoney & Associates, Ka Hale Hoala Hou No Na Wahine, Hawaii Women Lawyers, Barbara Bloom & Associates, and numerous concerned individuals testified in support of this measure. The Department of Public Safety and Hawaii Paroling Authority 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 H.B. No. 1750 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Nishimoto.

SCRep. 900 Finance on H.B. No. 1199

The purpose of this bill is to appropriate funds for the Filipino centennial celebration, to be matched by the Filipino Centennial Celebration Commission (Commission).

The Commission, Ilocos Surian Association of Hawaii, and Congress of Visayan Organizations testified in support of this bill. The Hawaii State Foundation on Culture and the Arts and Fil-American Citizens League supported the intent of the 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 H.B. No. 1199, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll and Magaoay.

SCRep. 901 Finance on H.B. No. 704

The purpose of this bill is to assist unemployed individuals and to support efforts to develop a skilled workforce by:

- (1) Authorizing the use of federal Reed Act moneys to provide unemployment insurance (UI) benefits and for the administration of the State's UI system, including its public employment offices;
- (2) Appropriating \$2 in Reed Act moneys for fiscal years 2005-2006 and 2006-2007 to improve the services of the UI Division and Workforce Development Division of the Department of Labor and Industrial Relations (DLIR); and
- (3) Providing for additional funding to the local workforce investment boards for, among other things, employer outreach services, labor force pool expansion, and capacity building.

DLIR, Mayor of the County of Hawaii, Office of Economic Development of the County of Kauai, Kauai Chamber of Commerce, ILWU Local 142, Hale Opio Kauai, Inc., Kauai Workforce Investment Board, and several concerned individuals testified in support of this bill. The Oahu Workforce Investment Board provided 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 H.B. No. 704, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll and Magaoay.

SCRep. 902 Finance on H.B. No. 20

The purpose of this bill is to allow the University of Hawaii (UH) and Department of Education (DOE) greater autonomy over their internal operations by removing the June 30, 2005, sunset date of Act 321, Session Laws of Hawaii, 1986, which allows UH and DOE to assume authority and responsibility for a variety of fiscal matters.

UH and DOE 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 H.B. No. 20 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll, Karamatsu, Nishimoto and Meyer.

SCRep. 903 Finance on H.B. No. 516

The purpose of this bill is to enhance the Department of Health's (DOH) emergency response capabilities by:

- (1) Allowing DOH to maintain an emergency response stockpile to prepare for or respond to a CBRNE (chemical, biological, radiological, nuclear, and high-yield explosives) event (the use of CBRNE to kill or sicken people, animals, or plants); and
- (2) Exempting DOH from certain laws and rules relating to the dispensing, labeling, prescribing, or storage of the emergency response stockpile in preparing for or responding to a CBRNE event.

DOH, Department of Defense, and Healthcare 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 H.B. No. 516, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll, Karamatsu, Nishimoto and Meyer.

SCRep. 904 Finance on H.B. No. 1144

The purpose of this bill is to encourage social workers to enter government service by providing financial assistance to certain social workers by:

- (1) Establishing applicable Social Work Student Loan Subsidy Programs (Subsidy Programs) and associated special funds within various state departments; and
- (2) Appropriating funds for the Subsidy Programs.

The University of Hawaii School of Social Work, Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, National Association of Social Workers – Hawaii Chapter, and many concerned individuals testified in support of this measure. The Department of Human Services and Department of Public Safety supported the intent of this bill. The Department of Budget and Finance provided 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 H.B. No. 1144, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll and Magaoay.

SCRep. 905 Finance on H.B. No. 875

The purpose of this bill is to support substitute teachers, who play such an integral role in Hawaii's public education system by:

- (1) Extending the statute of limitations period for claims against the State for unpaid wages to six-years;
- (2) Allowing for the payment of interest on claims for unpaid wages or benefits for services rendered by state employees; and
- (3) Clarifying that the provisions of paragraphs (1) and (2) shall also be retroactively applicable to substitute teachers' claims against the State for unpaid wages.

A concerned individual and an attorney representing substitute teachers in pending class actions testified in support of this bill. The Department of the Attorney General testified in opposition to 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 H.B. No. 875, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee.
(Representatives Fox and Moses voted no.)

SCRep. 906 Finance on H.B. No. 1146

The purpose of this bill is to ensure the professionalism of social workers by:

- (1) Prohibiting the Department of Human Resources Development (DHRD) from eliminating or replacing the social worker class that existed on July 1, 2004;
- (2) Restoring the social worker class if it is eliminated or replaced before the effective date of this bill;
- (3) Requiring that, following the restoration of the social worker class should that class be eliminated, all social workers admitted to this restored class hold an advanced degree, a bachelor's, master's, or doctoral degree in social work;
- (4) Requiring that all individuals who meet the qualifications for the restored social worker class who either:
 - (a) Transferred from the eliminated social worker class; or

- (b) Were employed following July 15, 2004, in a class that replaced the eliminated social worker class; be transferred back to the restored social worker class; and
- (5) Directing DHRD to create a new class for those employees who do not meet the qualifications for the restored social worker class and transferring these employees into that new class.

The Hawaii Government Employees Association/AFSCME, the National Association of Social Workers, and many concerned individuals testified in support of this bill. DHRD, Department of Health, Department of Human Services, Department of Public Safety, and Hawaii Paroling Authority opposed this measure. The Judiciary expressed concerns.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1146, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll and Magaoay.
(Representatives Fox, Meyer and Moses voted no.)

SCRep. 907 Finance on H.B. No. 244

The purpose of this bill is to establish that individuals who have not received an eligibility decision on their application for public assistance within the time specified in administrative rules are presumptively eligible until an eligibility decision is made. In addition, this bill establishes exemptions to the presumptive eligibility when delays are caused by the applicant.

The Legal Aid Society of Hawaii, National Association of Social Workers, Hawaii Chapter, and two concerned individuals testified in support of this bill. The Department of Human Services 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 H.B. No. 244, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll and Magaoay.
(Representatives Fox, Meyer and Moses voted no.)

SCRep. 908 Finance on H.B. No. 1317

The purpose of this bill is to ensure that Medicaid beneficiaries continue to receive a broad range of medical coverage by prohibiting the Department of Human Services (DHS) from taking any action or expending state resources to remove prescription drug benefits from managed care plans that provide health care coverage for Hawaii Medicaid beneficiaries.

The Hawaii Association of Health Plans, AlohaCare, Kaiser Permanente, and a concerned individual supported this bill. DHS and Department of Health opposed this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1317, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll and Magaoay.
(Representatives Fox, Meyer and Moses voted no.)

SCRep. 909 Finance on H.B. No. 162

The purpose of this bill is to assist small business by requiring the Procurement Policy Board to adopt rules to promote the growth and development of small businesses, including:

- (1) Set asides for small businesses in appropriate classifications of requirements suitable to performance by small businesses; and
- (2) Criteria designed to encourage the use of small businesses as subcontractors on large contracts.

The Department of Business, Economic Development, and Tourism, and The Chamber of Commerce of Hawaii supported this bill. The Department of Accounting and General Services supported this bill and offered amendments. The State Procurement Office supported the intent of this bill.

Your Committee has amended this measure by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 162, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 162, H.D. 2.

Signed by all members of the Committee except Representatives Carroll and Magaoay.

SCRep. 910 Finance on H.B. No. 633

The purpose of this bill is to expand the Department of Commerce and Consumer Affairs (DCCA) authority to decrease its fees and other nontax revenues.

DCCA supported this bill with an amendment. The Hawaii Association of Realtors and Retail Merchants of Hawaii provided comments.

Your Committee has amended this bill by changing the effective date to July 1, 2010, to encourage 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 H.B. No. 633, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 633, H.D. 2.

Signed by all members of the Committee.

SCRep. 911 Finance on H.B. No. 1469

The purpose of this bill is to reduce the burden on state and county agencies by eliminating the need to verify vendor compliance with all applicable procurement laws for small purchases.

The Department of Education, County of Hawaii Mayor's Office, County of Hawaii Finance Department, the Department of Budget and Fiscal Services of the City and County of Honolulu, and two concerned individuals supported this bill. The State Procurement Office and Department of Accounting and General Services supported this measure with amendments. The Department of Budget and Finance supported the intent of this measure.

To provide greater clarity, your Committee has amended this measure by:

- (1) Deleting the proposed verification language; and
- (2) Repealing the reference to the statute defining small purchases.

Your Committee feels that this will eliminate possible confusion over potentially conflicting statutory references.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1469, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1469, H.D. 1.

Signed by all members of the Committee except Representatives Carroll and Magaoy.

SCRep. 912 Finance on H.B. No. 1657

The purpose of this bill is to support energy research and technology by authorizing the issuance of \$10,000,000 in special purpose revenue bonds to assist Hoku Scientific in planning, designing, constructing, and equipping facilities for the production of the company's core products.

Hoku Scientific and the Hawaii Technology Trade Association supported this bill.

Your Committee has amended this measure by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1657, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1657, H.D. 1.

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

SCRep. 913 Finance on H.B. No. 283

The purpose of this bill is to establish and appropriate funds for the temporary Senator Hiram L. Fong Commission to develop, plan, and coordinate activities to recognize and honor the life and achievements of Senator Fong.

The ILWU Local 142, Finance Factors, Ltd., and several concerned individuals testified in support of this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 283, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 283, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Karamatsu, Nishimoto and Meyer.

SCRep. 914 Finance on H.B. No. 1390

The purpose of this bill is to sustain and develop vital community programs in culture, the arts, history, and the humanities by appropriating \$2,000,000 in fiscal year 2005-2006 and \$2,081,939 in fiscal year 2006-2007 to support the Hawaii State Foundation on Culture and the Arts' (HSFCA) Biennium Grants Program.

Hawaii Consortium of the Arts, Tim Bostock Productions LLC, Ebb & Flow Arts, VSA Arts of Hawaii-Pacific, Honolulu Dance Theatre, World Music Association, Diamond Head Theatre, The ARTS at Marks Garage, Alliance for Drama Education, Ohia Productions, Graphic House, Hawaii Alliance for Arts Education, Hawaii Theatre for Youth, and several concerned individuals supported this bill. HSFCA, Department of Accounting and General Services, Garden Island Arts Council, and a concerned individual offered comments.

Your Committee has amended this measure by:

- (1) Changing the appropriation amount to \$1 for each fiscal year to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1390, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1390, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Karamatsu, Nishimoto and Meyer.

SCRep. 915 Finance on H.B. No. 1302

The purpose of this bill is to reduce the cost of doing business in Hawaii by reducing filing, service, copying, and other business fees by at least 50 percent for corporations, nonprofit corporations, partnerships, limited partnerships, and limited liability companies.

The Chamber of Commerce of Hawaii testified in support of this bill. The Business Registration Division of the Department of Commerce and Consumer Affairs opposed this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1302, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1302, H.D. 1.

Signed by all members of the Committee except Representatives Fox and Pine.

SCRep. 916 Finance on H.B. No. 146

The purpose of this bill is to provide a general excise tax exemption for income received from the State by an adult residential care home operator, a group child care home operator, or a group child care center operator to facilitate and sustain operational growth by freeing up capital for these operators.

The Alliance of Residential Care Administrators, United Group of Home Operators, Mililani Care Home, Filipino Coalition for Solidarity, Inc., and Baris Care Home testified in support of this bill. The Hawaii Coalition of Care Home Administrators supported the intent of this measure. The Department of Taxation and Healthcare Association of Hawaii opposed this bill. The Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 146, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 146, H.D. 1.

Signed by all members of the Committee except Representatives Carroll and Magaoay.
(Representative Fox voted no.)

SCRep. 917 Finance on H.B. No. 248

The purpose of this bill is to begin attempts to address the issue of long-term care for Hawaii's aging population by:

- (1) Establishing a demonstration project for the County of Kauai to provide reimbursement to family caregivers who give free and continuing day-to-day care in the home to a qualified relative who is a functionally dependent person or who is suffering from cognitive impairments;
- (2) Requiring the Department of Health (DOH) to submit progress reports of its findings no later than 20 days prior to the convening of the regular sessions of 2006, 2007, 2008, 2009;
- (3) Requiring DOH to submit a final report no later than 20 days prior to the convening of the regular session of 2010; and
- (4) Appropriating funds to carry out this demonstration project.

Kokua Council, Hawaii Alliance for Retired Americans, National Multiple Sclerosis Society-Hawaii Division, Policy Advisory Board for Elder Affairs, and concerned individuals testified in support of this bill. DOH did not support this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 248, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 248, H.D. 1.

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

SCRep. 918 Finance on H.B. No. 537

The purpose of this bill is to maintain the effectiveness of detecting child abuse or neglect by appropriating funds for the continuation of the Kapiolani Child At-Risk Evaluation (CARE) Program.

CARE provides:

- (1) Forensic medical evaluations for children who are being investigated for allegations of abuse and neglect; and
- (2) Pre-placement medical evaluations and comprehensive health evaluations for children entering foster care.

The Kapiolani CARE Program, Hawaii Foster Parent Association, the American Academy of Pediatrics, and three concerned individuals testified in support of this bill. The Department of Human Services supported the intent of this measure.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 537, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 537, H.D. 2.

Signed by all members of the Committee except Representatives Carroll and Magaoay.

SCRep. 919 Finance on H.B. No. 684

The purpose of this bill is to appropriate an additional \$2,120,801 from the general fund for fiscal year 2004-2005 to pay for ambulance service contract collective bargaining costs.

The Department of Health, Vice-Chair of The Maui County Council, American Medical Response, and a concerned individual supported this bill.

Your Committee has amended this bill by making technical, nonsubstantive changes for 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 H.B. No. 684, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 684, H.D. 1.

Signed by all members of the Committee except Representatives Carroll and Magaoay.

SCRep. 920 Finance on H.B. No. 802

The purpose of this bill is to encourage contributions to individual development accounts (IDAs) by increasing the IDA Contribution Tax Credit to 100 percent of the amount contributed.

A concerned citizen supported this bill. Legal Aid Society of Hawaii supported this measure with amendments. The Hawaii Alliance for Community Based Economic Development supported the intent of this bill with amendments. The Department of Taxation and Tax Foundation of Hawaii offered comments.

Your Committee has amended this measure by changing the effective date to July 1, 2010, to promote 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 H.B. No. 802, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 802, H.D. 1.

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

SCRep. 921 Finance on H.B. No. 1530

The purpose of this bill is to improve health care for the elderly by authorizing the issuance of \$20,000,000 in special purpose revenue bonds (SPRBs) to assist Palolo Chinese Home, and its non-profit subsidiaries, in financing the expansion, construction, and rebuilding of its health care facilities.

Palolo Chinese Home supported this bill. The Department of Budget and Finance offered comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1530, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1530, H.D. 1.

Signed by all members of the Committee except Representatives Carroll and Magaoay.

SCRep. 922 Finance on H.B. No. 1217

The purpose of this bill is to limit the application of section 201G-118, Hawaii Revised Statutes, that exempts certain housing developments from state and county regulations, to lower-cost housing projects. Lower-cost housing projects are defined as residential housing projects in which all of the dwelling units are to be provided to persons or families whose incomes are 140 percent or less of the area median income as determined by the United States Department of Housing and Urban Development.

The Pacific Housing Assistance Corporation testified in support of this measure. A member of the Honolulu City Council supported the intent of this bill. The Housing and Community Development Corporation, Hawaii County Office of Housing and Community Development, City and County of Honolulu Department of Planning and Permitting, Life of the Land, and several concerned individuals opposed this measure. The City and County of Honolulu Department of Community Services provided comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2010, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1217, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1217, H.D. 1.

Signed by all members of the Committee except Representatives Carroll and Magaoay.

SCRep. 923 Finance on H.B. No. 1731

The purpose of this bill is to require the Housing and Community Development Corporation of Hawaii (HCDCH) to consult with the Department of Land and Natural Resources to identify certain public lands that may be developed for housing projects, of which 20 percent of the units are to be made available to qualified Hawaiians.

A member of the Maui County Council and two concerned individuals testified in support of this bill. The Office of Hawaiian Affairs and a concerned individual supported this measure with amendments. Life of the Land and several concerned individuals opposed this bill. The Department of Human Services offered comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1731, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1731, H.D. 2.

Signed by all members of the Committee except Representatives Carroll and Magaoay.

SCRep. 924 Finance on H.B. No. 931

The purpose of this bill is to encourage the development of affordable housing on leased residential lots by prohibiting lessees from exercising certain rights granted to a lessee, under the Residential Leaseholds Law and Real Property Leases Law, if the lessee's residential lot under a sustainable affordable lease, including:

- (1) The acquisition of the leased fee interest;
- (2) The free assignability of the lessee's interest; and
- (3) The lease rent cap for lease extensions.

The Housing and Community Development Corporation of Hawaii and Hawaii Reserves, Inc., testified in support of this bill. The Building Industry Association Hawaii and Land Use Research Foundation of Hawaii supported the intent of this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 931, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 931, H.D. 2.

Signed by all members of the Committee.

SCRep. 925 Finance on H.B. No. 955

The purpose of this bill is to encourage the construction and repair of drought mitigation water storage facilities by:

- (1) Increasing the amount of the Drought Mitigation Water Storage Facility Tax Credit (Tax Credit) from four to 20 percent;
- (2) Repealing the date after which the Tax Credit is no longer available; and
- (3) Including the cost of new equipment related to the construction or repair of ancillary structures as a cost that qualifies for the Tax Credit.

The Department of Land and Natural Resources, Department of Agriculture, Department of Taxation, Big Island Farm Bureau, Hawaii Farm Bureau Federation, Maui County Farm Bureau, Hawaii Agriculture Research Center, Hawaii Crop Improvement Association, and Pineapple Growers Association of Hawaii supported this bill. The Tax Foundation of Hawaii offered comments.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2010, and changing the percentage of the Tax Credit to an unspecified amount to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 955, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 955, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Evans, Takamine and Pine.

SCRep. 926 Finance on H.B. No. 483

The purpose of this bill is to promote agricultural diversity and improve agricultural self-sufficiency by establishing a nonrefundable Agricultural Infrastructure Improvement Tax Credit (Tax Credit) in an amount equal to the agricultural infrastructure improvement costs incurred by a taxpayer, and capped at \$2,000,000 in the aggregate for all taxpayers for each taxable year.

A member of the Maui County Council, Hawaii Farm Bureau Federation, Big Island Farm Bureau, and Land Use Research Foundation of Hawaii supported this bill. The Department of Agriculture supported the intent of this measure. The Department of Taxation opposed this bill. The Hawaii Agriculture Research Center and Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Expanding the definition of "agricultural infrastructure improvement" to include improvements made to supporting infrastructure used on land encumbered by a permanent conservation easement for agricultural protection;
- (2) Changing the effective date to July 1, 2010, and making the Tax Credit applicable to taxable years beginning after December 31, 2009, to promote further discussion;
- (3) Inserting a repeal date of July 1, 2010; and

- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 483, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 483, H.D. 1.

Signed by all members of the Committee.

SCRep. 927 Finance on H.B. No. 1641

The purpose of this bill is to establish the Non-agricultural Park Lands Special Fund to pay for costs incurred in managing, administering, and overseeing non-agricultural park lands that are transferred, or are in the process of being transferred, to the Department of Agriculture (DOA).

DOA supported the intent of this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2010, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1641, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1641, H.D. 1.

Signed by all members of the Committee.

SCRep. 928 Finance on H.B. No. 408

The purpose of this bill is to eliminate the conflict of interest where an agency determines, after an environmental assessment, whether its proposed action will have a significant effect on the environment, which would then require the agency to prepare an environmental impact statement (EIS) by authorizing the Office of Environmental Quality Control to review the agency's determination and make a final decision on whether and EIS is required.

Life of the Land, Waikiki Residents Association, Sierra Club, Hawaii Chapter, and several concerned individuals supported this bill. The Department of Health and the Environmental Center of the University of Hawaii supported the intent of this measure. The Department of Transportation and the Land Use Research Foundation of Hawaii opposed this measure.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2010, to encourage further discussion on this measure; and
- (2) Making technical, nonsubstantive changes for 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 H.B. No. 408, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 408, H.D. 2.

Signed by all members of the Committee except Representatives Carroll and Magaoay.
(Representative Moses voted no.)

SCRep. 929 Finance on H.B. No. 416

The purpose of this bill is to place a moratorium on the issuance of new commercial vessel permits in state small boat harbors for commercial vessels engaged in ocean-related activities until:

- (1) The boundaries of an ocean recreational management area for the area from Kalaeloa Point to Kaena Point are designated; and
- (2) Administrative rules on boating activities and commercial vessel activities are adopted.

Several concerned individuals testified in support of this measure. The Department of Land and Natural Resources supported the intent of this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2010, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 416, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 416, H.D. 2.

Signed by all members of the Committee except Representative Nishimoto.

SCRep. 930 Finance on H.B. No. 863

The purpose of this bill is to provide the prerequisite data to develop a single integrated state energy strategy and fully implement the regulation of gasoline prices by establishing an information gathering mechanism to monitor and analyze information from the petroleum industry. Specifically, this bill, among other things:

- (1) Requires the Department of Business, Economic Development, and Tourism (DBEDT) to develop and maintain the Petroleum Industry Monitoring, Analysis, and Reporting System, including an Automated Petroleum Industry Information Reporting System;
- (2) Redelineates the types of information that the petroleum industry must submit to DBEDT;
- (3) Establishes the Petroleum Industry Monitoring, Analysis, and Reporting Special Fund to fund, among other things:
 - (A) The development of a single integrated state energy strategy;
 - (B) The continuing efforts of the Hawaii Energy Policy Forum to develop a single integrated state energy strategy;
 - (C) The establishment of the Petroleum industry Monitoring, Analysis, and Reporting Program; and
 - (D) The implementation and operation of the gasoline price regulations by the Public Utilities Commission;

and
- (4) Replaces the Petroleum Commissioner with the Director of DBEDT.

DBEDT and the Hawaii Energy Policy Forum supported the intent of this measure. The Western States Petroleum Association opposed this bill. The Department of Budget and Finance, Department of Taxation, Department of Health, and the Hawaii Solar Energy Association provided comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2010, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 863, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 863, H.D. 2.

Signed by all members of the Committee except Representatives Carroll and Magaoay.
(Representatives Fox, Meyer and Moses voted no.)

SCRep. 931 Finance on H.B. No. 1535

The purpose of this bill is to:

- (1) Authorize the issuance of up to \$160,000,000 in special purpose revenue bonds (SPRBs) to assist:
 - (A) Hawaiian Electric Company, Inc. (\$100,000,000);
 - (B) Maui Electric Company, Ltd. (\$20,000,000); and
 - (C) Hawaii Electric Light Company, Inc. (\$40,000,000)

in financing multi-project capital improvement programs;

and
- (2) Limit the use of SPRBs to those projects that are approved by the Public Utilities Commission.

The Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc., and Maui Electric Company, Ltd., supported this bill.

Your Committee has amended this bill by changing the effective date to July 1, 2010, to facilitate and encourage further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1535, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1535, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Evans, Takamine and Pine.

SCRep. 932 Finance on H.B. No. 10

The purpose of this bill is to allow members of the National Guard and the Reserves an exemption, while they are serving in Iraq or Afghanistan, from county vehicular taxes and fees for noncommercial, passenger motor vehicles.

The Department of Transportation, Hawaii National Guard Enlisted Association, The Chamber of Commerce of Hawaii, and a concerned individual supported this bill. The City and County of Honolulu Department of Customer Services suggested amendments for this measure. The Tax Foundation of Hawaii provided comments on this measure.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2010, to encourage further discussion on this matter; and
- (2) Making technical, nonsubstantive changes for 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 H.B. No. 10, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 10, H.D. 2.

Signed by all members of the Committee except Representatives Carroll and Magaoay.

SCRep. 933 Finance on H.B. No. 925

The purpose of this bill is to begin the process of finding alternative ways of alleviating traffic congestion by studying the feasibility of building a motor vehicle and railway tunnel under Honolulu Harbor.

The Representative of the 42nd District and several concerned individuals testified in support of this bill. The Department of Transportation supported the intent of this measure. Life of the Land offered comments.

Your Committee has amended this bill by:

- (1) Changing the appropriation amount to \$1;
- (2) Changing the effective date to July 1, 2010, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 925, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 925, H.D. 2.

Signed by all members of the Committee.

SCRep. 934 Finance on H.B. No. 1239

The purpose of this bill is to encourage flexibility in highway design that will ensure road and bridge projects meet the State's transportation needs as well as work well for the surrounding communities.

The Naalehu Main Street, Hanalei Roads Committee, and a concerned individual supported this bill. Na Leo Pohai supported the intent of this measure. The Department of Transportation opposed this measure.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2010, to promote further discussion; and
- (2) Making technical, nonsubstantive changes for 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 H.B. No. 1239, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1239, H.D. 1.

Signed by all members of the Committee except Representatives Carroll and Magaoay.
(Representative Moses voted no.)

SCRep. 935 Finance on H.B. No. 1324

The purpose of this bill is to improve traffic safety for the people of Hawaii by:

- (1) Establishing a photo red light imaging detector systems program; and
- (2) Authorizing the counties to administer the program.

The Department of Transportation, Honolulu Police Department, Department of the Prosecuting Attorney of the City and County of Honolulu, Downtown Neighborhood Board No. 13, Hawaii Insurers Council, and numerous concerned individuals supported this bill. A concerned individual supported the intent of this measure. Two concerned individuals opposed this bill. The Office of Information Practices provided comments.

Your Committee has amended this bill by changing the effective date to July 1, 2010, to encourage further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1324, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1324, H.D. 2.

Signed by all members of the Committee except Representatives Carroll and Magaoay.
(Representative Moses voted no.)

SCRep. 936 Finance on H.B. No. 969

The purpose of this bill is to prohibit the Department of Education (DOE) from using the annual contribution by a nonprofit organization to reduce, suspend, or offset DOE's normal budgetary allocation to a new century conversion charter school.

Kamehameha Schools, Hookakoo Corporation, and a concerned individual testified in support of this measure. DOE provided comments.

Your Committee has amended this bill by changing the effective date to July 1, 2010, to encourage 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 H.B. No. 969, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 969, H.D. 1.

Signed by all members of the Committee except Representatives Carroll and Magaoay.

SCRep. 937 Finance on H.B. No. 1078

The purpose of this bill is to include teacher educators in the University of Hawaii system under the teacher national board certification incentive program.

The University of Hawaii and Hawaii State Teachers Association supported this measure.

Your Committee has amended this bill by:

- (1) Broadening the definition of "teacher educator";
- (2) Changing the effective date to July 1, 2010, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1078, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1078, H.D. 1.

Signed by all members of the Committee except Representative Nishimoto.

SCRep. 938 Finance on H.B. No. 1295

The purpose of this bill is to safeguard the health of students, faculty, and visitors at all Department of Education (DOE) schools by minimizing the risk of asbestos exposure by appropriating funds and requiring DOE to:

- (1) Ensure that all asbestos testing is conducted prior to any exterior or interior renovations or painting of school facilities, except charter schools; and
- (2) Maintain records of all students who may have been exposed to dust containing asbestos during an exterior renovation project that was conducted at King Intermediate School in December 2004.

A concerned individual testified in support of this bill. DOE supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2010, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1295, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1295, H.D. 2.

Signed by all members of the Committee except Representatives Carroll and Magaoay.

SCRep. 939 Finance on H.B. No. 1300

The purpose of this bill is to improve early childhood education in the state by establishing a rating committee and appropriating funds for the committee to, among other things:

- (1) Develop a rating system for early childhood education, based on certain early childhood education program (program) indicators, according to which the State can:
 - (a) Issue licenses based on the rating of each program; and
 - (b) Issue subsidies to children based on the rating of the program they attend;
- (2) Recommend measures for improving existing early childhood education programs; and
- (3) Propose an overall plan for implementing early childhood education for all children.

The Good Beginnings Alliance, Institute for Native Pacific Education and Culture, Hawaii Business Roundtable, American Academy of Pediatrics, Supporting Partnerships to Assure Ready Kids, and many concerned individuals testified in support of this bill. The Department of Education, Department of Human Services (DHS), Department of Health, and Hawaii Association for the Education of Young Children supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Clarifying the intent of the bill to create a ranking classification and a tiered subsidy system to match these rankings, to:
 - (a) Link services and support programs to ensure preschools and family child care of the highest quality and to support parents in providing positive early learning experiences for children;
 - (b) Help identify incentives for programs and services;
 - (c) Develop additional opportunities for early childhood learning; and
 - (d) Create awareness among parents and guardians of the importance of early learning experiences;
- (2) Requiring DHS to adopt a ranking system, rather than a rating system, to be based on quality indicators instead of program indicators;
- (3) Including learning program or curriculum in the list of quality indicators that the ranking system may be based on;
- (4) Clarifying that the term "ranking system" means a system that provides indicators by which the quality of early childhood education programs may be assessed;
- (5) Establishing an Early Childhood Education Task Force (Task Force), rather than a rating committee, to, among other things, develop quality indicators for a ranking system;
- (6) Administratively attaching the Task Force to the Legislative Reference Bureau (LRB), instead of creating the Task Force within the School Readiness Task Force;
- (7) Allowing the Task Force to convene as needed;
- (8) Adding to and clarifying the duties of the Task Force by requiring it to:
 - (a) Determine indicators of quality and create a ranking system for Hawaii's early childhood education; and
 - (b) Propose an overall plan for implementing early childhood education for all children, including incentives, resources, infrastructure, and support for upgrading and creating new early childhood programs;
- (9) No longer requiring the Task Force to meet with DHS and stakeholders in the early childhood education community to design the ranking system;
- (10) Changing the membership of the Task Force as follows:
 - (a) Removing the Office of Hawaiian Affairs and the teacher from the early childhood education community;
 - (b) Adding:
 - (i) The Dean of the College of Education at the University of Hawaii or the dean's designee;
 - (ii) A representative from each of the early childhood education communities in the counties of Kauai, Maui, and Hawaii, as appointed by the respective mayors;
 - (iii) A representative from the Kamehameha Schools Early Childhood Division;
 - (iv) A representative from the Hawaii Association for the Education of Young Children; and

- (v) A representative from the Hawaii Association of Independent Schools;
- (c) Specifying that the member from the resource and referral community is to be selected by People Attentive To Children instead of the School Readiness Task Force; and
- (d) Specifying that the member from the business community is to be selected by the Hawaii Business Roundtable instead of the School Readiness Task Force;
- (11) Exempting the meetings of the Task Force from chapter 92, Hawaii Revised Statutes;
- (12) Requiring the Task Force to submit a report of its progress, findings, and recommendations to DHS;
- (13) Appropriating funds to be expended by LRB, rather than DHS, to support the operations of the Task Force;
- (14) Setting a sunset date of June 30, 2008, for the Task Force; and
- (15) Making technical, nonsubstantive amendments for 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 H.B. No. 1300, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1300, H.D. 2.

Signed by all members of the Committee except Representative Nishimoto.

SCRep. 940 Finance on H.B. No. 759

The purpose of this bill is to support the United States armed services as vital contributors to Hawaii's economy and responsible stewards of the lands they occupy by preventing urban encroachment on military installations to maintain their effectiveness and preparedness. Specifically, this bill:

- (1) Requires a county planning department or district boundary amendment petitioner to notify the authorities of a military installation of a proposed zoning change or district boundary amendment;
- (2) Requires a county or the Land Use Commission (LUC) to request from the commanding officer of the military installation written comments and supporting facts relating to the use of the land being considered for a zoning change or district boundary amendment; and
- (3) Requires a county land use decision-making authority or the LUC to review and consider the impact of a proposed zoning change or district boundary amendment on a military installation and the rest of the community.

The Department of Defense and Wahia Community & Business Association, Inc., testified in support of this bill. The Chamber of Commerce of Hawaii supported the intent of this measure. The Department of Planning and Permitting of the City and County of Honolulu and Land Use Research Foundation of Hawaii opposed this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 759, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 759, H.D. 1.

Signed by all members of the Committee.

SCRep. 941 Finance on H.B. No. 858

The purpose of this bill is to assist Hawaii's taxpayers by giving them the right to:

- (1) File an appeal with a board of review or the tax appeal court within 30 days after receipt of a notice of denial of a tax refund claim by the Department of Taxation (DOTAX); and
- (2) File an appeal with a board of review or tax appeal court if DOTAX does not give notice of a denial of the tax refund claim within 180 days.

The Chamber of Commerce of Hawaii, Hawaii State Bar Association, Hawaii Society of Certified Public Accountants, National Federation of Independent Business-Hawaii, Chun, Kerr, Dodd, Beaman & Wong, a Limited Liability Law Partnership, Karns, Yee, Murakami, Hanashiro, and Choy, Horwath Kam & Company, PricewaterhouseCoopers LLP, and concerned individuals testified in support of this bill. DOTAX opposed this measure. The Tax Foundation of Hawaii submitted comments.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2010, to encourage further discussion; and

- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 858, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 858, H.D. 2.

Signed by all members of the Committee except Representatives Carroll and Magaoay.

SCRep. 942 Finance on H.B. No. 1393

The purpose of this bill is to:

- (1) Require that the seven voting members of the Commission on the Status of Women (Commission) be appointed by the Governor from a list of 20 individuals recommended by the Women's Legislative Caucus; and
- (2) Transfers the Commission from the Office of the Lieutenant Governor to the Department of Human Services.

The Honolulu County Committee on the Status of Women, and a concerned individual supported this bill. The Department of Human Services provided comments on this measure.

Your Committee has amended this bill by changing the effective date to July 1, 2010, to encourage further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1393, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1393, H.D. 2.

Signed by all members of the Committee except Representatives Carroll and Magaoay.

SCRep. 943 Finance on H.B. No. 1737

The purpose of this bill is to provide funds for Hawaii's contribution to the costs of the National Conference of Commissioners on Uniform State Laws and for related registration and travel expenses.

The Commission to Promote Uniform Legislation testified in support of this bill.

Your Committee has amended this measure by:

- (1) Changing the appropriation to \$1 to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1737, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1737, H.D. 1.

Signed by all members of the Committee except Representatives Carroll and Magaoay.

SCRep. 944 Finance on H.B. No. 755

The purpose of this bill is to allow employers to streamline their method of transmitting wage information to their employees. Specifically, this measure authorizes an employer upon receipt of authorization from the employee, and in lieu of a printed, typewritten, or handwritten record, to furnish the employee with an electronic record that details the employee's:

- (1) Total hours worked;
- (2) Overtime hours;
- (3) Straight time compensation;
- (4) Overtime compensation;
- (5) Other compensation;
- (6) Total gross compensation;
- (7) The amount and purpose of each deduction;
- (8) The total net compensation;
- (9) The date of payment; and
- (10) The pay period covered.

The Department of Labor and Industrial Relations, Hawaii State Teachers Association, and Verizon Hawaii testified in support of this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 755, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 755, H.D. 1.

Signed by all members of the Committee except Representatives Carroll and Magaoay.

SCRep. 945 Finance on H.B. No. 1214

The purpose of this bill is to amend the Wages and Hours of Employees on Public Works Law (Public Works Law) by:

- (1) Clarifying that the provisions relating to wages, hours, and other requirements of the Public Works Law apply to every contract in excess of \$2,000 for construction of a public work project undertaken by authority of a governmental contracting agency;
- (2) Clarifying that "public work" includes projects subsidized through the receipt of a state tax credit, projects undertaken through the use of state or county land, and certain private construction contracts performed according to State or county plans, specifications, or criteria;
- (3) Providing for the manner in which the prevailing wages for laborers and mechanics on public works projects are to be established; and
- (4) Allowing individuals to bring suit against:
 - (a) Violators for noncompliance with the Public Works Law; and
 - (b) The Director of the Department of Labor and Industrial Relations (DLIR) for failure to perform nondiscretionary duties.

The Hawaii State Teachers Association and Hawaii Carpenters Union testified in support of this bill. DLIR and the Associated Builders and Contractors, Inc., Hawaii Chapter, opposed this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1214, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1214, H.D. 2.

Signed by all members of the Committee except Representatives Carroll and Magaoay.
(Representatives Fox, Meyer and Moses voted no.)

SCRep. 946 Finance on H.B. No. 1318

The purpose of this bill is offer public employees a designated, paid leave that is specifically used for serving as a bone marrow or organ donor.

The Organ Donor Center of Hawaii, Transplant Association of Hawaii, St. Francis Medical Center, National Kidney Foundation of Hawaii, Hawaii State Teachers Association, Hawaii Government Employees Association, Hawaii Living Donor Council, Jack Endo Electric, Inc., and numerous concerned individuals testified in support of this bill. The Department of Human Resources Development testified in support of the intent of this measure. The Department of Human Resources of the City and County of Honolulu submitted comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2010, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1318, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1318, H.D. 1.

Signed by all members of the Committee.

SCRep. 947 Finance on H.B. No. 1548

The purpose of this bill is to provide county representation on the Board of Trustees of the Employer-Union Health Benefits Trust Fund (EUTF Board) by requiring that one member of the Board be appointed by a county mayor on a rotational basis. In addition, this bill, among other things:

- (1) Increases membership of the EUTF Board from 10 to 12;
- (2) Requires 11 members to be appointed by the Governor;
- (3) Prohibits the Governor from reducing the term of the member selected by a county; and
- (4) Requires a vacancy in the county trustee position to be filled by a county mayor, instead of the Governor.

The City and County of Honolulu Department of Human Resources and Hawaii State Teachers Association supported this bill. The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, opposed this measure. The Department of Budget and Finance offered comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1548, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1548, H.D. 1.

Signed by all members of the Committee except Representatives Carroll and Magaoy.

SCRep. 948 Finance on H.B. No. 1614

The purpose of this bill is to protect the employment rights of public employees by ensuring that civil service employees of the newly established Department of Education (DOE) Civil Service Personnel System shall have the same benefits and rights of civil service employees employed by other executive agencies.

DOE and Hawaii Government Employees Association testified in support of this bill. The Department of Human Resources Development opposed this measure.

Your Committee has amended this bill by changing the effective date to July 1, 2010, to encourage 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 H.B. No. 1614, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1614, H.D. 1.

Signed by all members of the Committee except Representatives Carroll and Magaoy.
(Representatives Fox, Meyer and Moses voted no.)

SCRep. 949 Finance on H.B. No. 27

The purpose of this bill is to promote equal opportunity for women in intercollegiate athletics by appropriating funds for the athletics program at the University of Hawaii (UH) at Hilo to achieve compliance with Title IX of the federal Education Amendments Act of 1972.

UH and the Hawaii Government Employees Association supported the intent of this bill.

Your Committee has amended this bill by deleting the purpose section.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 27, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 27, H.D. 2.

Signed by all members of the Committee.

SCRep. 950 Finance on H.B. No. 85

The purpose of this bill is to protect Honolulu Harbor for strictly maritime use by:

- (1) Excluding Piers 1 and 2 of Honolulu Harbor and the contiguous backup fast lands used for manifested cargo and passenger operations from the Kakaako Community Development District; and
- (2) Granting jurisdiction and administrative authority over Piers 1 and 2 and the contiguous backup fast lands used for manifested cargo and passenger operations to the Department of Transportation (DOT).

The ILWU Local 142, The Chamber of Commerce of Hawaii, Matson Navigation Company, and Young Brothers, Limited, testified in support of this bill. DOT and the Hawaii Community Development Authority opposed this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 85, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 85, H.D. 2.

Signed by all members of the Committee.

SCRep. 951 Finance on H.B. No. 89

The purpose of this bill is to increase security for the Port of Honolulu by appropriating funds for the Department of Transportation (DOT) to customize a harbor security system for Honolulu Harbor.

A member of the Honolulu City Council, American College Hawaii, and a concerned individual testified in support of this bill. DOT and the Department of Defense supported the intent of this measure. An individual opposed this measure, and ILWU Local 142 and Ali'i Layered Security Corporation offered comments.

According to DOT, the acquisition of any security system financed with State funding should be subject to evaluation by the Harbors Division to ensure that:

- (1) The functions and improvements provided by the system meet the security responsibilities and requirements of the State in its role of providing harbor security;
- (2) The system is non-proprietary and does not prevent the State from obtaining security services from other security providers;
- (3) The system will be owned by the State to assure long term benefits; and
- (4) The acquisition of any system complies with the State's procurement procedures.

Your Committee has amended this bill by:

- (1) Changing the appropriation to \$1 and the effective date to July 1, 2010, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for 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 H.B. No. 89, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 89, H.D. 1.

Signed by all members of the Committee.

SCRep. 952 Finance on H.B. No. 1030

The purpose of this bill is to develop alternative means of transportation between islands in the state by:

- (1) Establishing the Hawaii Marine Highway System (System);
- (2) Requiring the Department of Transportation (DOT) to administer the System, including the construction, purchase, or lease of ferry terminal facilities throughout the state; and
- (3) Creating the Hawaii Marine Highway System Fund (Fund) within the state treasury, which funds are to be used only for the operation and maintenance of the System.

Hawaii Superferry and a member of the Maui County Council and testified in support of this bill. DOT and ILWU Local 142 opposed this measure.

Your Committee recognizes the fact that the designation of Hawaii's waterways will not automatically result in the State's qualifying to receive additional federal funds and that an appropriation of additional federal funds requires an act of Congress. Your Committee further understands the concerns raised by DOT that dedicating all revenues from ferry operations using state facilities to the Fund may compromise the management and optimization of DOT's Harbors Division special fund but finds that the establishment of a marine highway system warrants further consideration.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1030, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1030, H.D. 1.

Signed by all members of the Committee.

SCRep. 953 Finance on H.B. No. 1309

The purpose of this bill is to improve public transportation by allowing the counties to, temporarily, levy a limited county surcharge on state general excise and use taxes to fund operating or capital costs for public transportation systems. Specifically, this bill, among other things:

- (1) Requires counties, that choose to establish a county surcharge, to do so by ordinance, adopted after a duly-noticed public hearing;
- (2) Prohibits the counties from setting the county surcharge at a rate greater than one percent of:
 - (A) The value of property taxable under the use tax;
 - (B) All gross proceeds and gross income taxable under the general excise tax; and
- (3) Repeals the county authority to levy county surcharges on June 30, 2015.

The Congressional Representative of the First District of Hawaii, two members of the City Council of the City and County (C&C) of Honolulu, the Transportation Commission of the C&C Honolulu, the Department of Transportation Services of the C&C Honolulu, Mililani Neighborhood Board No. 25, Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, Hawaii Building and Construction Trades Council, Weslin Consulting Services, Inc., and several concerned individuals supported this bill. The Department of Transportation and The Chamber of Commerce of Hawaii supported the intent of this bill. The Department of Taxation, National Federation of Independent Business-Hawaiian Affairs, Hawaii Association of REALTORS, Life of the Land, Retail Merchants of Hawaii, and several concerned individuals opposed this bill. Tax Foundation of Hawaii and Hawaii Business League offered comments.

Your Committee has amended this bill by:

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

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

Signed by all members of the Committee except Representatives Carroll and Magaoay.
(Representative Meyer voted no.)

SCRep. 954 Finance on H.B. No. 1645

The purpose of this bill is to begin the process of alleviating traffic congestion on Oahu through a mass transit system. Among other things, this bill:

- (1) Establishes a Mass Transit Planning Account (Account) with a cap of \$3,600,000 to be funded by a portion of the state gasoline tax;
- (2) Requires the Director of Finance (Director) to transfer \$600,000 from the Account to a highway fund account established for each county with a population greater than 500,000; and
- (3) Requires the county to use, upon receipt from the Director, the \$600,000 to develop and finalize a mass transit work plan that includes the use of a fixed guideway mass transit system; and
- (4) Requires the Director to transfer the remaining \$3,000,000 from the Account to the county to execute an environmental impact study and financial work plan, if the county council approves the mass transit work plan.

The Leeward Oahu Transportation Management Association testified in support of this bill. The City and County of Honolulu Department of Transportation Services and University of Hawaii Environmental Center supported the intent of this measure. The Department of Transportation opposed this bill. The Attorney General (AG), Department of Taxation, Tax Foundation of Hawaii, and Life of the Land provided comments.

Your Committee notes that the AG raised concerns regarding this bill. In particular, the bill references a "special account within the general fund," although moneys in the general fund are commingled and are not segregated, and suggested that a special fund be established instead. Additionally, the AG stated that an appropriation is needed to expend public moneys. Currently, this bill does not appropriate funds.

Accordingly, your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2010, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1645, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1645, H.D. 1.

Signed by all members of the Committee.
(Representatives Meyer and Moses voted no.)

SCRep. 955 Finance on H.B. No. 460

The purpose of this bill is to allow the Chief Election Officer to fill the Office of Elections' staff positions with civil service employees subject to collective bargaining.

The Office of Elections and Campaign Spending Commission supported this bill. The Hawaii Government Employees Association opposed this bill.

Your Committee has amended this bill by:

- (1) Repealing from section 11-5, Hawaii Revised Statutes (HRS), the reference to the public employment collective bargaining law;
- (2) Deleting the proposed language allowing the Chief Election Officer to hire as deemed necessary;
- (3) Changing the effective date to July 1, 2010, to encourage further discussion; and
- (4) Making technical, nonsubstantive changes for 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 H.B. No. 460, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 460, H.D. 2.

Signed by all members of the Committee.

SCRep. 956 Finance on H.B. No. 1733

The purpose of this bill is to:

- (1) Require DNA testing of all felons;
- (2) Provide procedures and duties for the collection and testing of DNA samples;
- (3) Establish a procedure for deletion of DNA profiles for a person whose underlying conviction has been reversed;
- (4) Extend the statute of limitations for felony cases where DNA evidence has been recovered;
- (5) Require retention of evidence that can be used for DNA analysis;
- (6) Establish procedures for post-conviction requests for analysis of DNA evidence;
- (7) Require notice to victims of proceedings and outcomes;
- (8) Require notice to probation and parole authorities of outcome adverse to the defendant; and
- (9) Appropriate \$750,000 to implement the new provisions on DNA testing.

The Attorney General, Department of Public Safety, Department of the Prosecuting Attorney, and the Kuliouou Kalani Iki Neighborhood Board supported this bill. The Honolulu Police Department supported the intent of this measure. The Judiciary provided comments on this measure.

Your Committee has amended this bill by:

- (1) Changing the appropriated sum to \$1 to encourage further discussion on this measure; and
- (2) Making technical, nonsubstantive amendments to correct drafting style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1733, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1733, H.D. 2.

Signed by all members of the Committee except Representatives Carroll and Magaoay.

SCRep. 957 Finance on H.B. No. 1763

The purpose of this bill is to ensure the continued force and effectiveness of the Hawaii Penal Code (Code) by establishing and appropriating funds for a committee to conduct a comprehensive review of the Code and report back to the Legislature no later than 20 days prior to the convening of the 2006 Regular Session.

The Office of the Public Defender testified in support of this bill. The Crime Victim Compensation Commission opposed this measure. The Judiciary, Department of the Prosecuting Attorney of the City and County of Honolulu, Hawaii State Coalition Against Domestic Violence, Domestic Violence Clearinghouse and Legal Hotline, and a concerned individual offered comments.

Your Committee notes that concerns were raised regarding the lack of representation on the review committee by individuals and groups who speak for the interests of crime victims. Your Committee would like to consider incorporating these concerns into this bill.

Your Committee has amended this bill by:

- (1) Changing the appropriation amount to \$1; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1763, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1763, H.D. 2.

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

SCRep. 958 Finance on H.B. No. 471

The purpose of this bill is to improve management of the Hawaii Tourism Authority (HTA) by:

- (1) Clarifying that HTA may develop and implement, through the HTA's Executive Director, a personnel system to provide for the appointment of officers, agents, and employees, subject to the approval of the Board of Directors of HTA;
- (2) Placing the Convention Center Enterprise Special Fund (CCESF) and Tourism Special Fund (TSF) outside the state treasury;
- (3) Allowing funds in the CCESF and TSF to be:
 - (A) Placed in interest-bearing accounts, provided that the depositories in which the funds are deposited furnish security as specified in section 38-3, Hawaii Revised Statutes (HRS); and
 - (B) Invested by HTA in any investment listed under section 36-21, HRS, until needed;
 and
- (4) Allowing HTA to establish a special account in the TSF for deposits of non-tax revenues received from public or private contracts.

HTA supported this bill with amendments. The Department of Business, Economic Development, and Tourism supported the intent of this measure. The Department of Budget and Finance offered comments.

Your Committee has amended this measure by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 471, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 471, H.D. 2.

Signed by all members of the Committee.

SCRep. 959 Finance on H.B. No. 997

The purpose of this bill is to increase funds for tourism-related programs and infrastructure by increasing the allocation of transient accommodations tax (TAT) collections to the Tourism Special Fund (TSF) to 35.4 percent and increasing the limit on funds deposited in the Convention Center Enterprise Special Fund (CCESF) to \$35,000,000. In addition, this bill:

- (1) Repeals the TAT Trust fund;
- (2) Repeals the existing allocation of TAT collections to the State Parks Special Fund (SPSF) and the Special Land and Development Fund (SLDF); and
- (3) Distributes 2.5 percent of TAT collections as follows:
 - (A) 36 percent to be deposited in the SPSF;
 - (B) 4 percent to be deposited in the SLDF; and
 - (C) 60 percent to be deposited into the general fund.

The Hawaii Tourism Authority, Waikiki Improvement Association, Hawaii Business Roundtable, Hawaii Hotel & Lodging Association, and Outrigger Hotels supported this bill. The Department of Business, Economic Development, and Tourism and Department of Land and Natural Resources supported the intent of this measure. The Department of Budget and Finance and Department of Taxation opposed this bill. The Tax Foundation of Hawaii and Hawaii Resort Developers Conference offered comments.

Your Committee has amended this bill by:

- (1) Changing the limit on funds deposited into the CCEF to an unspecified amount to promote further discussion;
- (2) Changing the percentage allocation of TAT collections to the TSF, SPSF, SLDF, and the general fund to unspecified percentages to promote further discussion;
- (3) Changing the effective date to July 1, 2010, to promote further discussion; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 997, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 997, H.D. 1.

Signed by all members of the Committee.

SCRep. 960 Finance on H.B. No. 998

The purpose of this bill is to continue and expand incentives to develop our visitor industry infrastructure by:

- (1) Raising the Tax Credit from four percent to eight percent of construction or renovation costs incurred for each qualified hotel facility for costs incurred before July 1, 2009;
- (2) Extending the four percent Tax Credit for construction or renovation costs incurred for each qualified hotel facility for costs incurred from July 1, 2009, through June 30, 2012;
- (3) Repealing the Tax Credit on July 1, 2012;
- (4) Removing time share facilities and projects, and condominiums from the definition of "qualified hotel facility";
- (5) Including recapture provisions in the event a qualified hotel facility is converted, or is being converted, to a time share facility or condominium; and
- (6) Repealing the provision requiring taxpayers to be in compliance with all applicable federal, state, and county statutes, rules, and regulations to qualify for the Tax Credit.

The Hawaii Tourism Authority, Waikiki Improvement Association, Hawaii Resort Developers Conference, Outrigger Hotels, and Subcontractors Association of Hawaii supported this bill. The Department of Business, Economic Development, and Tourism supported the intent of this measure. The Department of Taxation, American Resort Development Association's Hawaii Chapter, Starwood Hotels & Resorts Worldwide Inc., and Cendant Corporation/Fairfield Resorts opposed this measure. The Tax Foundation of Hawaii and Hawaii Hotel and Lodging Association provided comments on this measure.

Your Committee has amended this bill by:

- (1) Blanking out the Tax Credit percentages;
- (2) Changing the effective date to July 1, 2009, to encourage further discussion on this measure; and
- (3) Making technical, nonsubstantial amendments for 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 H.B. No. 998, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 998, H.D. 2.

Signed by all members of the Committee.

SCRep. 961 Finance on H.B. No. 1590

The purpose of this bill is to expand the initiative the State has taken in encouraging the motion picture, digital media, and film industries, while protecting the State's interests by limiting and gathering data on the tax credits issued. This bill among other things:

- (1) Increases the amount of the income tax credit for motion picture, digital media, and film productions (Motion Picture Tax Credit) to:
 - (A) Fifteen percent of qualified production costs incurred in any county of the State with a population over 700,000; and

- (B) Twenty percent of qualified production costs incurred in any county of the State with a population of 700,000 or less;
- (2) Extends the Motion Picture Tax Credit to digital media projects;
 - (3) Repeals the variable credit based on actual expenditures for transient accommodations;
 - (4) Establishes qualification requirements for productions;
 - (5) Establishes reporting and filing requirements for qualified productions and requires the Department of Business, Economic Development and Tourism (DBEDT) to maintain records and report yearly totals to the Tax Director;
 - (6) Limits the credit to \$8,000,000 per production;
 - (7) Prohibits productions that have received financing for which a credit was claimed under the High Technology Business Investment Tax Credit from claiming the Motion Picture Tax Credit in the same tax year;
 - (8) Applies the Motion Picture Tax Credit to qualified production costs incurred after December 31, 2004, and before January 1, 2011; and
 - (9) Repeals the provisions of this bill on January 1, 2011.

DBEDT, The Big Island Film Office, Maui Film Office, Screen Actors Guild, Hawaii State AFL-CIO, Hilton Hotels Hawaii, Honolulu Film Office, Home Baked Entertainment, and concerned individuals supported this bill. The Department of Taxation and concerned individuals supported the intent of this measure. A concerned individual opposed this bill. The Tax Foundation of Hawaii provided comments on this measure.

Your Committee has amended this bill by:

- (1) Blanking out the tax credit percentages;
- (2) Changing the effective date to July 1, 2009, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1590, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1590, H.D. 2.

Signed by all members of the Committee.

SCRep. 962 Finance on H.B. No. 97

The purpose of this bill is to encourage individuals and employers to purchase long-term care contracts by establishing:

- (1) A long-term care refundable tax credit for long-term care insurance premium payments made by individual taxpayers for the purchase of qualified long-term care insurance contracts; and
- (2) A long-term care nonrefundable tax credit for premium payments made by employers to purchase qualified long-term care insurance contracts for their employees.

The Department of Commerce and Consumer Affairs, AssistGuide, The Chamber of Commerce of Hawaii, American Council of Life Insurers, and State Farm Mutual Automobile Insurance Company testified in support of this bill. The Department of Taxation, Association of Insurance and Financial Advisors Hawaii, and Health Care Association of Hawaii supported this bill but suggested amendments. The Department of Health supported the intent of this bill but suggested amendments. The Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 97, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 97, H.D. 2.

Signed by all members of the Committee except Representatives Carroll and Magaoay.

SCRep. 963 Finance on H.B. No. 236

The purpose of this bill is to ensure that problems such as teen pregnancy and sexually transmitted diseases are addressed through medically accurate sex education courses and information taught and distributed by informational agencies that receive state funding.

The Department of Education and Planned Parenthood of Hawaii testified in support of this bill.

Your Committee notes that currently:

- (1) A child's parents can review the material taught in a course on sex education; and
- (2) A child's parents or other appropriate authority must sign a permission slip,

before the child can take a course in sex education.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 236, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 236, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Karamatsu, Nishimoto and Meyer.

SCRep. 964 Finance on H.B. No. 1303

The purpose of this bill is to address Hawaii's critical affordable housing and homelessness problem by, among other things:

- (1) Providing flexibility to the counties in their land use density restrictions, to allow for the development of low-income housing rentals;
- (2) Establishing a general excise tax exemption for developers of low-income rental housing;
- (3) Providing that Rental Housing Trust Fund (RHTF) loans and grants to developers may be provided when 50 percent or more of the available units are for persons with incomes at or below 80, instead of 60 percent of the median family income;
- (4) Requiring ten percent of general excise taxes on residential rentals be deposited into the RHTF;
- (5) Establishing a sliding scale for the payment of conveyance taxes;
- (6) Exempting from the conveyance tax, conveyances by nonprofit organizations certified for low-income housing development;
- (7) Increasing the amount of conveyance taxes transferred into the RHTF from 25 to 50 percent;
- (8) Appropriating funds into the RHTF;
- (9) Declaring a moratorium on demolition of decommissioned public housing and offering the housing to nonprofit entities or government agencies for rehabilitation into emergency transitional shelter facilities or rental units;
- (10) Appropriating funds for the expansion of emergency and transitional shelter facilities serving the homeless, upon meeting certain conditions;
- (11) Refocusing Housing and Community Development Corporation of Hawaii (HCDCH) housing developments on lower cost housing projects serving only persons with incomes 140 percent or less of the area median income;
- (12) Splitting HCDCH into two entities:
 - (a) The Hawaii Public Housing Administration to perform the function of developing and maintaining public housing; and
 - (b) The Hawaii Housing Finance and Development Administration to perform the function of housing financing and development;
- (13) Repealing the RHTF Advisory Commission; and
- (14) Establishing a Legislative Affordable Rental Housing and Homeless Task Force.

A member of the Maui County Council, The Nature Conservancy of Hawaii, League of Women Voters of Hawaii, Pacific Housing Assistance Corporation, Hawaii Coalition of Christian Churches, Life of the Land, Affordable Housing and Homeless Alliance, and many concerned individuals testified in support of this measure. HCDCH, the City and County of Honolulu Department of Community Services, Land Use Research Foundation of Hawaii, Catholic Charities Hawaii, and Partners in Care supported the intent of this bill.

The Department of Taxation, City and County of Honolulu Department of Planning and Permitting, and Sierra Club, Hawaii Chapter, opposed this measure. The Hawaii Association of Realtors and Koolau Mountains Watershed Project provided comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1303, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1303, H.D. 2.

Signed by all members of the Committee except Representatives Carroll and Magaoy.
(Representatives Fox, Meyer and Moses voted no.)

SCRep. 965 Finance on H.B. No. 994

The purpose of this bill is to provide incentives for developing a major recreational and visitor attraction in west Oahu by establishing a Motor Sports Recreation, Public Safety Training, Educational, and Medical Facility (Facility) Investment Tax Credit (Tax Credit) for qualified investments in the Facility at Kalaeloa. Specifically, this bill, among other things:

- (1) Limits the total amount of Tax Credits that may be claimed to \$50,000,000 in the aggregate for all qualified taxpayers for all taxable years;
- (2) Limits the amount of Tax Credits that may be used in any one taxable year to \$10,000,000 in the aggregate for all qualified taxpayers;
- (3) Further limits the amount of Tax Credits that may be used in any one taxable year to the amount of general excise and transient accommodations tax generated in that year by the construction and operation of the Facility; and
- (4) Establishes reporting and certification requirements to claim the Tax Credit.

The Honolulu Police Department, Iron Workers Union 625 Stabilization Fund, Hawaii Building and Construction Trades Council, AFL-CIO, Hawaii Motorsports Center, Hawaii Ford Performance Club, Pacific Karting Club, Race Events Hawaii, LLC, Super Lap Series, LLC, Acquisition Research Corporation, and numerous concerned citizens supported this bill. The Department of Business, Economic Development, and Tourism supported the intent of this measure. The Department of Taxation, The Chamber of Commerce of Hawaii, and At-Cruz Productions opposed this bill. The United States Navy, Hawaii Community Development Authority, and Tax Foundation of Hawaii offered comments.

Your Committee recognizes that the unique provisions contained in this bill require your Committee to adopt a cautious approach in deliberating over this matter.

In light of these concerns, your Committee has amended this bill by:

- (1) Changing the annual limit on the Tax Credits from \$10,000,000 to \$1 and the total, aggregate limit on the Tax Credits from \$50,000,000 to \$1 to promote further discussion;
- (2) Changing the effective date to July 1, 2009, to promote further discussion; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 994, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 994, H.D. 2.

Signed by all members of the Committee.
(Representatives Carroll, Evans, Wakai and Fox voted no.)

SCRep. 966 Finance on H.B. No. 1141

The purpose of this bill is to improve the health and safety of residents in the Waimano ridge area of Oahu by prohibiting any state or county agency, commission, or department from granting, approving, or issuing any lease or permit that authorizes new or expanded use, or further development, of existing leased lands or facilities on state-owned land in the Waimano ridge area until a master plan is developed, communicated to area residents, and the public health, well-being, and safety is assured. Specifically, this bill, among other things:

- (1) Establishes a process, requiring public input, for the Department of Health (DOH) to draft the master plan; and
- (2) Requires DOH to prepare and disseminate an annual report describing the activities on Waimano ridge, including certain details on the tests and programs being conducted there as well as details on public informational meetings conducted.

The Pearl City Neighborhood Board No. 21, Pearl City Community Association, and a concerned citizen supported this bill. DOH opposed this bill. The Office of Information Practices offered comments.

Your Committee has amended this measure by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1141, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1141, H.D. 2.

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

SCRep. 967 Finance on H.B. No. 1278

The purpose of this bill is to improve water quality at Lake Wilson by appropriating:

- (1) \$250,000 out of the Environmental Response Revolving Fund (Revolving Fund) for the University of Hawaii's Center for Conservation and Research Training (CCRT) to develop, during phase 1, the best strategies consistent with comprehensive watershed management to improve the water quality of Lake Wilson; and
- (2) \$250,000 out of the Revolving Fund for CCRT to implement phase 2, identifying and soliciting federal and other funding to coordinate implementation of a pilot demonstration project of constructed wetland designs developed during phase 1.

ILWU Local 142 and three concerned citizens supported this bill. The University of Hawaii and Office of Hawaiian Affairs supported the intent of this bill. The Department of Health opposed this bill. Two concerned citizens offered comments.

Your Committee notes that concerns were raised in public testimony regarding the use of the Revolving Fund as a funding source for the projects contained in this bill. Your Committee will continue to study this issue to determine the most appropriate source of funding.

Your Committee has amended this measure by:

- (1) Clarifying that watershed scientists of the CCRT shall prepare a comprehensive watershed management plan that includes the best strategies to manage water quality problems in Lake Wilson;
- (2) Clarifying that the appropriations contained in this bill shall be expended by the University of Hawaii;
- (3) Changing the funding source from the Revolving Fund to the general fund;
- (4) Changing the appropriation amount to \$1 for each fiscal year to promote further discussion; and
- (5) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1278, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1278, H.D. 2.

Signed by all members of the Committee except Representatives Wakai and Pine.

SCRep. 968 Finance on H.B. No. 1640

The purpose of this bill is to comply with constitutional mandates to conserve and protect agricultural land, and to promote agricultural development by:

- (1) Establishing a new part in the Land Use Commission (LUC) law that sets forth policies and procedures for important agricultural lands (IALs), including:
 - (A) Policies that promote the long-term viability of agricultural use on IALs;
 - (B) Standards and criteria for the identification of IALs;
 - (C) A process for the identification of IALs, including mapping by the counties and designation of IALs by LUC;
 - (D) Standards and criteria for the reclassification or rezoning of IALs; and
 - (E) Incentive policies for IALs to achieve long-term agricultural viability and use of the lands;
- (2) Requiring agricultural incentive programs to be developed concurrently with the process of identifying IALs specified in paragraph (1);
- (3) Establishing that the designation of IALs and adoption of maps by LUC shall take effect only upon enactment of legislation containing incentives and protections for IALs;
- (4) Providing for a process to develop proposals for state and county incentives;
- (5) Appropriating \$100,000 for the development of proposals for incentives and other programs for agricultural development and land protection;
- (6) Appropriating \$2,000,000 for grants-in-aid to the counties for the identification and mapping of IALs; and

- (7) Conforming various land use provisions under the LUC law, including district boundary amendments, special permits, and LUC decision-making criteria, to the policies, procedures, processes, and standards established for IALs in this bill.

The Land Use Research Foundation, Hawaii Farm Bureau Federation, Big Island Farm Bureau, Hamakua County Farm Bureau, Maui County Farm Bureau, Hawaii Aquaculture Association, Hawaii Crop Improvement Association, Alexander & Baldwin, Inc., Landscape Industry Council of Hawaii, and several concerned citizens supported the bill. The Department of Agriculture supported the intent of this bill with amendments. The Office of Planning, Hawaii Agriculture Research Center, Hawaii Association of REALTORS, and a concerned individual supported the intent of this measure. The Department of Taxation and the Department of Planning and Permitting of the City and County of Honolulu opposed this bill. The Department of Land and Natural Resources, Tax Foundation of Hawaii, Sierra Club, Hawaii Chapter, and the Environmental Center of the University of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2010, to promote further discussion;
- (2) Changing the appropriation amounts contained in this bill to \$1 to promote further discussion; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1640, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1640, H.D. 3.

Signed by all members of the Committee.

SCRep. 969 Finance on H.B. No. 1536

The purpose of this bill is to protect the environment by appropriating state matching funds for the Ala Wai Trash Trap Cleanup Project.

The Department of Health provided comments on this bill. The Department of Land and Natural Resources testified in opposition to 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 H.B. No. 1536, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 970 Finance on H.B. No. 1378

The purpose of this bill is to improve family court proceedings by amending the temporary restraining order (TRO) and protective order process. Among other things, this bill:

- (1) Allows a judge considering a petition for a TRO discretion to meet in camera with the prospective petitioner prior to issuing the order to properly evaluate the merits of the petitioner's allegations;
- (2) Requires that a judge make findings of fact before granting a TRO;
- (3) Allows supervised visitation, even after the issuance of a TRO, if the petitioner and respondent have children, if the children are not named in the TRO petition, and supervised visitation is in the best interests of the children;
- (4) Requires disclosure of any divorce, separation, annulment, separate maintenance, or other proceeding involving child custody that is pending between the parties when filing a petition for a TRO or protective order petition; and
- (5) Requires that any finding of fact related to a petition for a TRO or protective order not bind any other family court proceedings in which the court determines the petition for a TRO was filed to gain an advantage in the family court proceeding.

The Office of the Public Defender and numerous concerned individuals testified in support of this bill. The Department of the Prosecuting Attorney of the City and County of Honolulu, Hawaii State Coalition Against Domestic Violence, and a concerned individual testified in opposition to this measure. The Domestic Violence Clearinghouse and Legal Hotline submitted comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1378, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 971 Finance on H.B. No. 266

The purpose of this bill is to establish clear distinctions between mandatory, excluded, and permissive subjects of collective bargaining. Among other things, this bill:

- (1) Eliminates statutory language that prohibits an agreement between an employer and an exclusive employee representative that was inconsistent with the merit principle or the principle of equal pay;
- (2) Eliminates the prohibition of an agreement between an employer and an exclusive employee representative that would interfere with various rights and obligations of a public employer; and
- (3) Provides that an employer may negotiate over permissive subjects of collective bargaining, including:
 - (A) The merit principle;
 - (B) Principle of equal pay for equal work;
 - (C) Qualifications, standards for work, and the nature and content of examinations;
 - (D) Standards to maintain efficiency and productivity;
 - (E) The method and means by which government operations are to be conducted; and
 - (F) Actions necessary to carry out the mission of the employer in cases of emergencies.

The Hawaii State Teachers Association and Hawaii Government Employees Association supported this bill. The United Public Workers supported the intent of this measure. The Department of Human Resources Development, the Judiciary, University of Hawaii, City and County of Honolulu (C&C) Department of Human Resources, C&C Department of Environmental Services, County of Maui Department of Personnel Services, County of Hawaii Department of Civil Service, and the Hawaii State Personnel Council opposed this measure.

Your Committee finds and concludes that the current language in section 89-9, Hawaii Revised Statutes (HRS), that defines the scope and limits on negotiable subjects for collective bargaining purposes in the public sector is contradictory and confusing. Section 89-9 (a), HRS, requires public employers and exclusive bargaining representatives to negotiate over "wages, hours, and other terms and conditions of employment." While section 89-9 (a), HRS, establishes the duty to bargain over these items to be an "obligation" of both employer and employees, section 89-9 (d), HRS, suggests otherwise as to certain "terms and conditions of employment."

The ambiguity in the current statute creates legitimate concerns regarding whether existing contract provisions on such matters as promotion, transfers, demotions, temporary assignments, disciplinary actions, layoffs, and retention are valid under section 89-9 (d), HRS. The "proviso" adopted in 1988 is insufficient to address these concerns (Section 4 of Act 399, Session Laws of Hawaii 1988). Accordingly, this bill clearly delineates what subjects are mandatory, permissive, and excluded for purposes of collective bargaining pursuant to Section 89-9, HRS.

Mandatory subjects are set forth in section 89-9 (a), HRS, as "wages, hours, and other terms and conditions of employment." Permissive subjects are identified in section 89-9 (g), HRS, and represent subject matters over which bargaining is discretionary. (See *NLRB v. Wooster Div. of Borg-Warner Corp.*, 356 U.S. 342 (1958).) Excluded subjects are clearly enumerated in section 89-9 (d), HRS, as amended.

Your Committee recognizes that the right to collective bargaining is a constitutional right under Section 2 of Article XIII of the State Constitution. The amendments made to section 89-9, HRS, and section 89-19, HRS, are intended to implement the rights established by the framers to our constitution since 1968.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 266, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Yamane, Meyer and Pine.
(Representatives Fox and Moses voted no.)

SCRep. 972 Finance on H.B. No. 505

The purpose of this bill is to assist adult residential care homes (ARCHs) by:

- (1) Requiring the Department of Human Services (DHS) to provide an additional payment to ARCH providers that provide care to recipients who reside in ARCHs and are eligible for either federal Supplemental Security Income, or public assistance in accordance to state standards, or both; and
- (2) Appropriating an unspecified amount of funds for additional payments to ARCH providers required in this bill.

The Alliance of Residential Care Administrators, Hawaii Coalition of Care Home Administrators, Filipino Coalition for Solidarity, Inc., United Group of Home Operators, Mililani Care Home, Big Island Adult Residential Care Home Association, and numerous concerned individuals testified in support of this bill. DHS testified in support of the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 505, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll and Magaaoay.

SCRep. 973 Finance on H.B. No. 59

The purpose of this bill is to ensure the availability of child care for the safe and healthy development of all children by making permanent the Family Child Care Homes law.

The Good Beginnings Alliance, Hawaii Association for the Education of Young Children, and a concerned individual testified in support of this bill. The Department of Human Services supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 59 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll and Magaoay.

SCRep. 974 Finance on H.B. No. 1304

The purpose of this bill is to improve health care for the people of the state by establishing and appropriating funds for a temporary Healthcare Task Force to develop a plan to implement health care for all residents of Hawaii.

The Hawaii Health Systems Corporation, ILWU Local 142, Hawaii Primary Care Association, Hawaii Medical Service Association, and two concerned individuals testified in support of this bill. Two concerned individuals supported this measure with amendments. The Department of Commerce and Consumer Affairs, Kaiser Permanente, and Americans for Democratic Action/Hawaii 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 H.B. No. 1304, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll and Magaoay.
(Representative Fox voted no.)

SCRep. 975 Judiciary on H.B. No. 1

The purpose of this bill is to recodify the statutes relating to the University of Hawaii and higher education.

Specifically, this measure updates and clarifies those statutes through reorganization, consolidation, amendment, and repeal.

Your Committee received testimony in support of the measure from the Interim President of the University of Hawaii and the Co-Chair of the All Campus Council of Faculty Senate Chairs of the University of Hawaii system. Both were members of the higher education statutory analysis interim study group. Testimony commenting on the measure was also received from the Environmental Center.

Your Committee finds that this bill is the product of the higher education statutory analysis interim study group, which was established under Act 224, Session Laws of Hawaii 2004. The Act required the study group to suggest an improved organizational framework for statutes relating to higher education and the University of Hawaii, recommending statutes for consolidation, amendment, or repeal. Your Committee finds that the organizational framework of the proposed recodification is evidently modeled after that of the lower education recodification.

Your Committee further finds that there is general agreement among interested persons within the University of Hawaii that the interim group's proposed legislation improves the organizational framework of statutes relating to higher education and the University of Hawaii, and updates and clarifies statutory provisions while providing consistency and clarity for those provisions. Your Committee also finds that the faculty of the university finds that the recodification effort reflects both changes in the university and the faculty's trust in a brilliant future for the university.

Your Committee has amended this measure by making technical nonsubstantive changes for the purposes of clarity and style. Your Committee also added other conforming 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 H.B. No. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1, H.D. 2.

Signed by all members of the Committee except Representatives Herkes and Sonson.

SCRep. 976 Judiciary on H.B. No. 237

The purpose of this bill is to develop solutions to the rising costs of medical malpractice insurance by establishing a temporary commission on medical tort reform to:

- (1) Develop legislation for medical malpractice reform; and
- (2) Determine the feasibility and advisability of establishing a state-sponsored insurance company or captive insurer to provide malpractice coverage to healthcare providers.

The John A. Burns School of Medicine at the University of Hawaii testified in support of this bill. The Department of Commerce and Consumer Affairs, Hawaii Medical Association, and Consumer Lawyers of Hawaii offered comments.

Your Committee notes that a concern was raised about whether certain provisions of this bill fall within the scope of this measure's title.

Your Committee has amended this bill by:

- (1) Replacing the Insurance Division of the Department of Commerce and Consumer Affairs with the Legislative Reference Bureau as the agency to administer the commission;
- (2) Providing that representatives from the Hawaii Employers' Mutual Insurance Company and the Hawaii Medical Service Association shall serve in an advisory role as nonvoting members of the commission; and
- (3) Adding a representative from the University of Hawaii School of Medicine as a nonvoting member of the commission.

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 H.B. No. 237, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 237, H.D. 3.

Signed by all members of the Committee except Representative Herkes.

SCRep. 977 Judiciary on H.B. No. 857

The purpose of this bill is to control the noise emitted by vehicles by requiring the Director of Transportation to:

- (1) Set limits on the number of decibels a vehicle may emit; and
- (2) Establish decibel testing requirements for official inspection stations.

Motorcycles, motor scooters, and mopeds are included under the provisions of this bill.

The Honolulu Police Department, Legislative Information Services of Hawaii, and a concerned individual testified in support of this bill. The Hawaii Automobile Dealers Association supported the intent of this measure, and the Department of Transportation opposed this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, for the purpose of continuing discussion; and
- (2) Making technical, nonsubstantive amendments for consistency 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 H.B. No. 857, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 857, H.D. 1.

Signed by all members of the Committee except Representative Kanoho.

SCRep. 978 Judiciary on H.B. No. 359

The purpose of this bill is to ensure the availability of health care for children at all times by giving a minor's caregiver the right to consent to health care services for the minor, if the caregiver possesses and presents an affidavit of caregiver consent.

The Department of Human Services, Kokua Council, Na Tutu, Grandparents Raising Grandchildren Coalition, Policy Advisory Board for Elderly Affairs, and several concerned individuals testified in support of this measure. Hawaii Pacific Health and a concerned individual supported this bill with amendments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 359, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 359, H.D. 1.

Signed by all members of the Committee except Representative Herkes.

SCRep. 979 Judiciary on H.B. No. 762

The purpose of this bill is to establish a procedure allowing employers to obtain temporary restraining orders (TRO) and injunctions to protect against worksite harassment.

The Department of the Prosecuting Attorney of the City and County of Honolulu, Domestic Violence Clearinghouse and Legal Hotline, Hawaii Hotel & Lodging Association, Retail Merchants of Hawaii, Society of Human Resource Management-Hawaii Chapter, Sultan Company, Aloha Petroleum, Ltd., and a concerned individual testified in support of this bill. The Chamber of Commerce of Hawaii and the Hawaii Bankers Association supported the intent of this measure. The Office of the Public Defender, Consumer Lawyers of Hawaii, and ILWU Local 142 opposed this bill.

Your Committee has amended this bill by:

- (1) Amending the proposed definition of "employee" to include any person suffered or permitted to work, including volunteers and independent contractors;
- (2) Amending the proposed definition of "employer" to mean any person, including the State or any of its political subdivisions, the United States, and any agent of such person, having one or more employees;
- (3) Adding a definition of "worksite" to include all areas within the same building controlled, managed, or maintained by the employer, even if not physically contiguous;
- (4) Specifying that, to the extent feasible, the employer must consult with any invitee subjected to harassment prior to filing a petition for relief from harassment;
- (5) Providing that the court deciding a petition for relief from harassment:
 - (A) Must receive evidence concerning the defendant's employment status and the effect of a permanent injunction on the defendant's employment status; and
 - (B) In determining the scope of a worksite TRO, may consider ways of restraining the defendant's conduct by geographical boundaries of the worksite, and restraining communications and physical proximity between the defendant and the person subjected to harassment;
- (6) Providing that where an employee against whom a worksite injunction is granted has obtained reinstatement pursuant to the National Labor Relations Act or the Federal Railway Labor Act, the employer must petition the court to suspend the remainder of the term of the injunction if the reinstatement directly relates to acts for which the injunction was granted;
- (7) Clarifying that the provisions proposed under this measure do not:
 - (A) Alter the legal relationship between the employer and the employee as provided in any other law; or
 - (B) Require an employer to initiate a petition for relief from harassment;
- (8) Clarifying that an employer, employer's agent, employee, invitee, or witness is not liable in any civil action for actions taken in good faith in accordance with the requirements for filing a petition for relief from harassment, including good faith actions taken in investigations into alleged harassment;
- (9) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (10) Making 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 H.B. No. 762, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 762, H.D. 1.

Signed by all members of the Committee except Representative Herkes.

SCRep. 980 Judiciary on H.B. No. 783

The purpose of this bill is to improve the nonjudicial foreclosure process by

- (1) Repealing the 1874 power of sale process; and
- (2) Amending the 1998 alternate power of sale foreclosure process as follows:
 - (A) Removing the restriction that only mortgages executed after July 1, 1999, may be foreclosed through the process;
 - (B) Limiting a purchaser's nonrefundable downpayment at the public sale of the mortgaged property to not more than ten percent of the highest successful bid;
 - (C) Removing the requirement that the borrower sign the conveyance document following the public sale of the mortgaged property and payment of the full purchase price; and
 - (D) Providing that the purchaser may take possession of the mortgaged property no sooner than 45 days after the public sale.

A concerned individual testified in support of this bill. The Hawaii Legislative Action Committee of the Community Associations Institute supported this bill with amendments. The Mortgage Bankers Association of Hawaii, Hawaii Financial Services Association, Hawaii Bankers Association, Cendant Timeshare Resort Group, Inc., and Fairfield Resorts, Inc. supported the intent of this measure. Hawaii HomeLoans, Inc., the Maluhia Trust, and a concerned individual opposed this bill.

Your Committee has amended this bill by:

- (1) Deleting the provisions that repealed:
 - (A) The 1874 power of sale process;

- (B) The restriction that only mortgages executed after July 1, 1999, may be foreclosed through the process; and
- (C) The requirement that the borrower sign the conveyance document following the public sale of the mortgaged property and payment of the full purchase price;
- (2) Providing that the purchaser may take possession of the mortgaged property no sooner than 40 days after the public sale;
- (3) Adding to the definition of "foreclosing mortgagee":
 - (A) A mortgage broker licensed under chapter 454, Hawaii Revised Statutes; and
 - (B) A government-sponsored enterprise regulated by the Office of Federal Housing Enterprise Oversight;
- (4) Adding to the definition of "mortgagee", the current mortgagee's or lender's nominee;
- (5) Providing that in the notice of default, the foreclosing mortgagee:
 - (A) May require receipt of the signed letter of agreement by a date not less than ten days from the date of the notice of default and amending the sample notice of default accordingly; and
 - (B) Is required to propose four dates within a two-week period for the open houses of the mortgaged property, at least two of which must be on a Saturday or Sunday, and two of which must be selected by the mortgagor;
- (6) Requiring the public notice of the public sale to include the telephone number and address of the foreclosing mortgagee;
- (7) Requiring the foreclosing mortgagee and any prior or junior creditors having a recorded lien on the mortgaged property before recordation of the notice of default to provide information on the unpaid balance owed as of the date of the public sale and the daily accrual of interest, within three days of an inquiry from any person;
- (8) Extending the time for filing appeals of public sales of mortgaged property, from 30 days after the recordation of the affidavit of public sale to 60 days;
- (9) Specifying that the provisions of this measure shall not affect or impair any rights accrued before its effective date; and
- (10) Making a technical, nonsubstantive amendment 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 H.B. No. 783, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 783, H.D. 2.

Signed by all members of the Committee except Representative Herkes.

SCRep. 981 Finance on H.B. No. 30

The purpose of this bill is to authorize the Director of Human Services to use the Federal Supply Schedule as a benchmark in negotiating and purchasing brand name prescription drugs for prescription drug programs administered by the State.

AARP Hawaii supported this bill. The Department of Human Services supported the intent of this measure. The Pharmaceutical Research and Manufacturers of America opposed this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 30, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Wakai.

SCRep. 982 Finance on H.B. No. 1111

The purpose of this bill is to establish the Hawaii Catastrophic Relief Fund (HCRF) to provide reinsurance for the risks of catastrophic events and mitigate the impact of a catastrophic or emergency condition in Hawaii. In addition to establishing the HCRF, this bill will:

- (1) Repeal the Hawaii Hurricane Relief Fund (HHRF); and
- (2) Transfer funds from the HHRF to the HCRF.

The Department of Defense and State Farm supported the intent of this measure. A concerned individual supported this bill with reservations. The Department of Commerce and Consumer Affairs, Hawaii Insurers Council, and Hawaii Association of Realtors 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 H.B. No. 1111, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.
(Representatives Fox, Moses and Pine voted no.)

SCRep. 983 Finance on H.B. No. 1448

The purpose of this bill is to minimize the impact of residential fires by providing a tax credit for qualifying costs for each automatic fire sprinkler system that is installed and placed into service after June 30, 2006.

The State Fire Council supported this bill. The Hawaii Council of Associations of Apartment Owners supported the intent of this bill. The Department of Taxation 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 H.B. No. 1448, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Wakai.

SCRep. 984 Finance on H.B. No. 1745

The purpose of this bill is to repeal or exempt the Judiciary from various reporting requirements relating to:

- (1) Administratively established accounts or funds;
- (2) Uncollectible delinquent fines and restitution;
- (3) The Spouse and Child Abuse Special Account;
- (4) The Parent Education Special Fund;
- (5) Statements of goals, objectives, and policies.
- (6) Outsourcing of services; and
- (7) The Judiciary's computer system.

This bill also repeals the reporting requirement for activities and expenses of the State Council for Interstate Adult Offender Supervision.

The Judiciary 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 H.B. No. 1745, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Wakai.

SCRep. 985 Finance on H.B. No. 1123

The purpose of this bill is to appropriate matching funds to enable the work release program to provide more opportunities for qualifying inmates to work on county projects.

The Department of Public Safety and Community Alliance on Prisons 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 H.B. No. 1123 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Wakai.

SCRep. 986 Finance on H.B. No. 395

The purpose of this bill is amend the Patients' Bill of Rights external review procedure to provide a quick and inexpensive method for patients to appeal a managed care plan's final internal decision to deny coverage of a health intervention.

The Hawaii Medical Service Association and HMAA testified in support of this bill. Kaiser Permanente supported the intent of this measure. The Department of Commerce and Consumer Affairs opposed this bill. The Hawaii Association of Health Plans 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 H.B. No. 395, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Wakai.

SCRep. 987 Finance on H.B. No. 165

The purpose of this bill is to appropriate funds to be paid into the Hawaii Agricultural Development Revolving Fund for the operation and maintenance of the East Kauai Irrigation System.

The Hawaii Farm Bureau Federation and Kauai County Farm Bureau testified in support of this measure. The Agribusiness Development Corporation supported the intent of this bill.

Your Committee has amended this bill by:

- (1) Changing the appropriation amount to \$1 to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 165, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 165, H.D. 2.

Signed by all members of the Committee except Representative Wakai.

SCRep. 988 Finance on H.B. No. 330

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

- (1) Promote fiscal accountability by requiring the Agribusiness Development Corporation (ADC) to contract with a financial services institution to provide lease management services for leases of agricultural land under the ADC's control;
- (2) Require ADC to obtain agricultural lands located in Waialua, Oahu, and owned by the Galbraith Estate, with revenues derived through the issuance of revenue bonds; and
- (3) Establish that agricultural leases on lands in central Oahu obtained under this bill shall be for at least 55 years.

The Hawaii Farm Bureau Federation and a concerned individual supported this bill. The Hawaii Agriculture Research Center supported the intent of this measure. ADC offered comments.

Your Committee has amended this measure by:

- (1) Authorizing, rather than requiring, ADC to contract with a financial services institution to provide lease management services for leases of agricultural land under the ADC's control;
- (2) Clarifying the definition of "lease management services" to include the collection of lease rent and any other moneys owed to the ADC related to the lease of agricultural land under its control;
- (3) Correcting a drafting oversight by clarifying that ADC shall work toward obtaining commitments from landowners in the leeward and central districts of Oahu that their agricultural leases shall not be amended or revoked to allow for a non-agricultural use of such land; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 330, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 330, H.D. 1.

Signed by all members of the Committee except Representatives Carroll and Magaoay.

SCRep. 989 Finance on H.B. No. 1360

The purpose of this bill is to support the development of new and enhanced agricultural products and manufacturing methods by creating an agribusiness incubator in the Waialua district of Oahu. Specifically, this bill:

- (1) Authorizes the issuance of general obligation bonds for the planning, design, and construction of an agribusiness incubator to be developed and managed by the University of Hawaii (UH); and
- (2) Requires UH to negotiate a memorandum of understanding with Dole Food Company, Inc. (Dole), to provide for:
 - (A) The conveyance, in fee simple and for nominal consideration, of up to three acres of agricultural-zoned land in Waialua, formerly used by Dole; and
 - (B) The lease of other lands within the Waialua district

to support the agribusiness incubator facility.

The Hawaii Farm Bureau Federation, Castle & Cooke Hawaii, and a concerned individual testified in support of this bill. The Department of Agriculture and a concerned individual supported the intent of this measure.

Your Committee has amended this bill by changing the effective date to July 1, 2010, to encourage 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 H.B. No. 1360, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1360, H.D. 2.

Signed by all members of the Committee except Representative Wakai.

SCRep. 990 Finance on H.B. No. 1331

The purpose of this bill is to improve solid waste disposal by authorizing the issuance of \$100,000,000 in special purpose revenue bonds to assist Jacoby Development, Inc., with planning, designing, constructing, and equipping of, and the acquisition of lands for, a plasma municipal solid waste processing system to convert solid wastes into electricity, and chemically and biologically inert slag.

The Representative of the 44th District, Jacoby Development, Inc., Geoplasma, LLC, Oahu Council of the Association of Hawaiian Civic Clubs, Waianae Valley Homestead Community Association, State Council of Hawaiian Homestead Associations, and several concerned individuals supported this bill. The Department of Budget and Finance offered comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1331, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1331, H.D. 1.

Signed by all members of the Committee except Representative Wakai.

SCRep. 991 Finance on H.B. No. 1434

The purpose of this bill is to improve the Renewable Portfolio Standards law by, among other things:

- (1) Repealing the requirement that the Department of Land and Natural Resources (DLNR) develop and publish a catalog of potential sites for the development of renewable energy;
- (2) Clarifying that the calculation for avoided costs, under the definition of "cost-effective", account for risks attendant to fossil fuel generation, including environmental, cultural, and economic costs, where fossil fuel generation is being avoided;
- (3) Deleting electrical energy savings brought about by the use of heat pump water heating, ice storage, quantifiable energy conservation measures, central station power projects, and rejected heat from co-generation and combined heat and power systems that sell electricity to electric utility companies from the definition of "renewable energy";
- (4) Inserting electrical energy savings brought about by the use of all renewable electricity generated by eligible customer-generators into the definition of "renewable energy";
- (5) Providing clarification on the kinds of events or circumstances that are considered outside the electric utility's control in meeting the renewable portfolio standards;
- (6) Clarifying that electric utility companies' opportunity to earn a fair rate of return is not diminished as a result of the implementation of a proposed ratemaking structure;
- (7) Requiring studies of the renewable portfolio standards to include:
 - (A) The effect of power purchase agreement terms on the viability of renewable power producers; and
 - (B) The capability of Hawaii's electric utility companies to implement a green power pricing program; and
- (8) Requiring the Public Utilities Commission (PUC) to investigate and, if feasible, implement:
 - (A) The intra-state trading program;
 - (B) The green power pricing system; and
 - (C) The photovoltaic buydown program.

The PUC, Hawaii Solar Energy Association, Hawaii Renewable Energy Alliance, Conservation Council for Hawaii, Inter-Island Solar Supply, Hawaii PV Coalition, Rocky Mountain Institute, and a concerned individual supported this bill. PowerLight Corporation and Honolulu Seawater Air Conditioning, LLC, supported this bill and suggested amendments. The Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, Energy Extension Service of the Office of Economic Development of the County of Kauai, Hawaiian Electric Company, Maui Electric Company, and Hawaii Electric Light Company supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Retaining the existing requirement that DLNR develop and publish a catalog of potential sites for the development of renewable energy;
- (2) Deleting the provision clarifying the calculation of "avoided costs", under the definition of "cost-effective";
- (3) Retaining electrical energy savings brought about by the use of ice storage and quantifiable energy conservation measures under the definition of "renewable energy";
- (4) Including additional events or circumstances that are considered outside the electric utility's control in meeting renewable portfolio standards;
- (5) Clarifying that the PUC, if time and resources permit, may:
 - (A) Examine the capability of Hawaii's electric utility companies to implement a green power pricing program; and
 - (B) Investigate and, if feasible, implement:
 - (i) An intra-state trading program;
 - (ii) A green power pricing system; and
 - (iii) A photovoltaic buydown program;

and
- (6) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1434, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1434, H.D. 3.

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

SCRep. 992 Finance on H.B. No. 784

The purpose of this bill is to provide equal financing to each of the public, educational, and governmental access programming groups for the county of Maui. Specifically, this bill will require cable franchise fees paid in connection with the cable television service in the county of Maui to be distributed as follows:

- (1) One-third to Maui Community College and the Department of Education (DOE) to provide educational programming;
- (2) One-third to the County of Maui to provide financial, operational, and technical resources for governmental access programming; and
- (3) One-third to the Maui access organization that will provide public access programming.

Numerous concerned individuals testified in support of this bill. A concerned individual supported the intent of this measure. The Department of Commerce and Consumer Affairs, Olelo Community Television, The League of Women Voters of Hawaii, Hale Lokomaikai Women Helping Women, Life of the Land, and numerous concerned individuals opposed this bill.

Your Committee has amended this bill by:

- (1) Appropriating funds for infrastructure upgrades to telecommunications systems within DOE so that students, teachers, and administrators can have continued access to technology; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 784, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 784, H.D. 2.

Signed by all members of the Committee.
(Representatives Fox, Meyer and Moses voted no.)

SCRep. 993 Finance on H.B. No. 1723

The purpose of this bill is to encourage the growth of up-and-coming high technology companies in Hawaii by increasing the amount of venture capital through the use of the State Private Investment Fund (SPIF).

The Hawaii Strategic Development Corporation, Hawaii Technology Trade Association, Hawaii Venture Capital Association, Hawaii Biotech, Inc., University Connections, International Venture Fund, Oceanit, HiBEAM, Chicago Pacific Capital

Advisors, Inc., Nanopoint, Applied Marine Solutions, Johnson, Butler and Company, Goodsill Anderson Quinn and Stifel, and a concerned individual supported this bill. The Department of Business, Economic Development, and Tourism supported the intent of this measure. The Tax Foundation of Hawaii provided comments.

Your Committee believes that fund managers should make their best efforts to invest in Hawaii-based high-tech companies, and that possibilities be explored to reinvest a portion of revenues derived from the SPIF program in computer education programs in our public schools.

Your Committee has amended this bill by:

- (1) Appropriating funds that will be expended by HSDC in carrying out the purpose of this bill;
- (2) Allowing the tax credits transferred by the Hawaii Strategic Development Corporation to taxpayers to be used to reduce taxes imposed by insurance regulation laws in addition to income taxes and taxes on financial institutions; and
- (3) Making technical, nonsubstantive changes for 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 H.B. No. 1723, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1723, H.D. 2.

Signed by all members of the Committee.

SCRep. 994 Finance on H.B. No. 1132

The purpose of this bill is to broaden the Department of Education's (DOE) authority over capital improvement projects by:

- (1) Establishing the Education Design and Construction Project Assessment Fund (Assessment Fund);
- (2) Moving the authority to expend funds from the State Educational Facilities Improvement Special Fund from the Department of Accounting and General Services to DOE;
- (3) Moving the state educational facilities repair and maintenance account from Program ID 100 to Program ID 400 for ease of administration;
- (4) Making DOE responsible for school repair and maintenance and capital improvement programs; and
- (5) Appropriating funds to the Assessment Fund.

DOE testified in support of this measure. The Department of Budget and Finance opposed this bill.

Your Committee has amended this bill by:

- (1) Removing the requirement that the Superintendent's assessments on construction projects be based on a logarithmic curve;
- (2) Clarifying that DOE's authority over the operation and maintenance of capital improvement and repair and maintenance programs pertains specifically to DOE and school facilities;
- (3) Changing the effective date to July 1, 2010, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1132, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1132, H.D. 1.

Signed by all members of the Committee except Representative Nishimoto.
(Representatives Fox and Meyer voted no.)

SCRep. 995 Finance on H.B. No. 5

The purpose of this bill is to make the optional retirement plan for University of Hawaii employees permanent.

The University of Hawaii, University of Hawaii Professional Assembly, Teachers Insurance and Annuity Association College Retirement Equities Fund, and AIG VALIC supported this bill. The Hawaii Government Employees Association supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2010, to encourage further discussion; and
- (2) Making technical, nonsubstantive changes for 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 H.B. No. 5, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 5, H.D. 1.

Signed by all members of the Committee except Representative Wakai.

SCRep. 996 Finance on H.B. No. 1739

The purpose of this bill is to continue efforts to win the battle against ice by:

- (1) Establishing the Drug Busters Program within the Department of the Attorney General (AG) to combat the manufacture, distribution, and sale of crystal methamphetamine; and
- (2) Provide funding for:
 - (A) Substance abuse treatment and prevention programs;
 - (B) A statewide substance abuse awareness and education campaign;
 - (C) Operations of the Drug Nuisance Abatement Unit of the AG; and
 - (D) Student substance abuse referrals for assessments by certified substance abuse counselors.

The Community Alliance on Prisons, Hawaii Youth Services Network, Hina Mauka, Hawaii Juvenile Justice Project, The Salvation Army, Aloha House Maui, Malama Family Recovery Center Board, Coalition for a Drug Free Hawaii, and a concerned individual supported this bill. The AG and Department of Education supported the intent of this measure. The Department of Health provided comments on this measure.

Your Committee has amended this bill by:

- (1) Changing the appropriations to \$1; and
- (2) Making technical, nonsubstantive changes for 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 H.B. No. 1739, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1739, H.D. 2.

Signed by all members of the Committee.

SCRep. 997 Finance on H.B. No. 1060

The purpose of this bill is to require the Department of Health (DOH) to obtain legislative approval before applying for Medicaid waivers by:

- (1) A concurrent resolution that is adopted by a majority vote of the Senate and House of Representatives of the Hawaii State Legislature when the Legislature is in session; or
- (2) A majority vote of the members of a joint committee consisting of the chairs of the two standing committees from the House of Representatives appointed by the Speaker of the House and the chairs of two standing committees from the Senate appointed by the Senate President during the legislative interim.

The Hawaii Primary Care Association testified in support of this bill with amendments. The Department of Human Services opposed this measure. The Hawaii Medical Services Association submitted comments.

Your Committee has amended this measure by specifying that Federally-qualified health centers and rural health clinics as defined in section 1905 of the Social Security Act (42 U.S.C. Sec. 1396 et seq.) shall be eligible for reimbursement in accordance with the Social Security Act.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1060, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1060, H.D. 2.

Signed by all members of the Committee except Representative Wakai.
(Representatives Fox, Meyer and Moses voted no.)

SCRep. 998 Finance on H.B. No. 36

The purpose of this bill is to exempt from the procurement code the purchase of goods and services for inmate commissary or store operations in state correctional facilities when the purchase involves inmate trust accounts and no public funds are used.

ARAMARK Correctional Services, Inc., testified in support of this bill. The Department of Public Safety and Department of Accounting and General Services opposed this measure. The State Procurement Office provided comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2010, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 36, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 36, H.D. 2.

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

SCRep. 999 Finance on H.B. No. 1583

The purpose of this bill is to support members of the military by exempting from state income taxes any income received by a member of the armed forces and reserve components of the Army, Navy, Air Force, Marine Corps, or Coast Guard, and the Hawaii National Guard during the time the member is assigned by military orders outside of Hawaii.

The Department of Defense and several concerned citizens testified in support of this measure. The Department of Taxation supported the intent of this bill. The Tax Foundation of Hawaii provided comments.

Your Committee received testimony stating that other qualified military benefits are already exempt from taxation under the Internal Revenue Code, to which Hawaii conforms. Clarifying that the exemption provided is for basic pay will eliminate confusion over this provision.

Accordingly, your Committee has amended this bill by:

- (1) Clarifying that the definition of "income" means basic pay;
- (2) Changing the effective date to July 1, 2010, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1583, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1583, H.D. 1.

Signed by all members of the Committee.

SCRep. 1000 Finance on H.B. No. 338

The purpose of this bill is to ensure that employees are given a reasonable time, at least 30 consecutive minutes, to rest, recover, and take a meal break after working five or more straight hours.

The Hawaii State Teachers Association, ILWU Local 142, Hawaii AFL-CIO, and The Mestizo Association supported this bill. The Hawaii Civil Rights Commission, Hawaii Business League, Oahu Transit Services Inc., and the Department of Transportation Services of the City and County of Honolulu supported the intent of this measure. The Department of Labor and Industrial Relations (DLIR), Society for Human Resource Management, Hawaii Bankers Association, Retail Merchant of Hawaii, Hawaii Shipyards Inc., and The Honolulu Advertiser opposed this bill. The Hawaii Transportation Association and Covanta Energy Group provided comments.

Your Committee has amended this bill by:

- (1) Providing an employer a method of seeking an exemption to the requirement of providing a break through a written application to DLIR;
- (2) Changing the effective date to July 1, 2010, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes for 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 H.B. No. 338, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 338, H.D. 2.

Signed by all members of the Committee.
(Representatives Fox, Meyer and Moses voted no.)

SCRep. 1001 Finance on H.B. No. 761

The purpose of this bill is to assist military troops and their families in Hawaii by allowing an employee to use family leave during any calendar year upon the military deployment of the employee's child, spouse, reciprocal beneficiary, or parent.

The Hawaii National Guard Enlisted Association and a concerned individual testified in support of this bill. The Department of Human Resources Development and Department of Labor and Industrial Relations testified in support of the intent of this measure. The Chamber of Commerce of Hawaii, Society for Human Resource Management - Hawaii Chapter, and The Honolulu Advertiser opposed this bill.

Your Committee has amended this measure by:

- (1) Clarifying that family leave upon the military deployment of an employee's child, spouse, reciprocal beneficiary, or parent can only be taken to provide family care and support;
- (2) Specifying that family leave upon the military deployment of an employee's child, spouse, reciprocal beneficiary, or parent can only be used during the period of military deployment;
- (3) Requiring an employee claiming family leave based upon the military deployment of the employee's child, spouse, reciprocal beneficiary, or parent to provide proof of military deployment;
- (4) Defining the term "military deployment" to mean the deployment of, by order of a branch of the United States military, an employee serving in the military to a region where hostile and hazardous combat or peacekeeping activities are being conducted;
- (5) Changing the effective date to July 1, 2010, to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for 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 H.B. No. 761, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 761, H.D. 1.

Signed by all members of the Committee.

SCRep. 1002 Finance on H.B. No. 1134

The purpose of this bill is to assist Hawaii's workers while maintaining fairness for Hawaii's employers by:

- (1) Increasing the minimum wage from \$6.25 per hour to \$7.00 per hour beginning July 1, 2005;
- (2) Providing for annual increases in the minimum wage by using the percent increase of the most recent gross state product deflator published by the Department of Business, Economic Development, and Tourism;
- (3) Requiring that the minimum wage never be decreased while establishing that annual increases in the minimum wage not exceed fifty cents;
- (4) Reconstituting the provision of a "tip credit" by allowing an employer to reduce the wages of tipped employees if a tipped employee is not paid less than \$1.00 below the minimum wage, and the employee's tips and wages account for earnings of \$.50 more than the minimum wage established by law; and
- (5) Allowing employers who employ persons under the age of 18 to pay a minimum wage that is 85 percent of the established minimum wage provided that this wage is not below the federal minimum wage.

The Hawaii State Teachers Association and a concerned individual testified in support of this bill. The Hawaii State AFL-CIO and ILWU Local 142 supported the bill in part and opposed the bill in part. The Department of Labor and Industrial Relations, the Chamber of Commerce of Hawaii, The Hawaii Business League, Retail Merchants of Hawaii, National Federation of Independent Business – Hawaii, Hawaii Automobile Dealers Association, LWD, Inc., Gyotaku Japanese Restaurant, Aloha Tofu Factory, Inc., Wailana Coffee House, BrokersEye, LLC, and Transcend, Inc. testified in opposition to this measure.

Your Committee has amended this measure by:

- (1) Replacing the increase schedule with one that raises the minimum wage to \$6.75 beginning January 1, 2006, and to \$7.25 beginning January 1, 2007;
- (2) Re-inserting original statutory language that establishes a tip credit and deleting all amendments to the tip credit;
- (3) Deleting the automatic adjustment to the minimum wage;
- (4) Deleting the provision that allows for a sub-minimum wage for minors; and
- (5) Making technical, nonsubstantive amendments for 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 H.B. No. 1134, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1134, H.D. 2.

Signed by all members of the Committee except Representative Nishimoto.

SCRep. 1003 Finance on H.B. No. 1528

The purpose of this bill is to adjust the salaries of certain department heads and other positions, including the:

- (1) Chief Election Officer;

- (2) Auditor;
- (3) Legislative Reference Bureau Director;
- (4) Chairperson of the Hawaii Labor Relations Board;
- (5) Ombudsman;
- (6) State Procurement Office;
- (7) Stadium Authority Manager;
- (8) Vice-director of Civil Defense;
- (9) Deputy for Water Resource Management;
- (10) Executive Director of the Housing and Community Development Corporation of Hawaii;
- (11) Public Utilities Commission Chairperson;
- (12) Recycling Coordinator;
- (13) Hawaii Paroling Authority Chairperson;
- (14) Labor and Industrial Relations Appeals Board Chairperson;
- (15) Commissioner of Financial Institutions;
- (16) State Public Defender;
- (17) Director of the Executive Office on Aging;
- (18) Director of the Office of Veterans' Services; and
- (19) Executive Director of the Office of Community Services.

The Department of Budget and Finance, Department of Human Resource Development, the Adjutant General, the Auditor, Legislative Reference Bureau, Office of the Ombudsman, and several concerned individuals supported this bill. The Hawaii Paroling Authority supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2010, to encourage further discussion; and
- (2) Making technical, nonsubstantive changes for 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 H.B. No. 1528, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1528, H.D. 2.

Signed by all members of the Committee.

SCRep. 1004 Finance on H.B. No. 1606

The purpose of this bill is to help ensure Hawaii's students receive a quality education by:

- (1) Establishing annual salary increases for teachers who meet various performance-based and other requirements; and
- (2) Creating a comprehensive teacher evaluation process.

The Hawaii State Teachers Association testified in support of this bill. The Department of Education supported the intent of this measure. The Department of Budget and Finance opposed this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1606, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1606, H.D. 1.

Signed by all members of the Committee except Representatives Carroll and Magaoay.
(Representative Meyer voted no.)

SCRep. 1005 Finance on H.B. No. 1773

The purpose of this bill is to improve workers' compensation law by, among other things:

- (1) Establishing requirements for the disposition and contents of initial evaluation reports and vocational rehabilitation plans;
- (2) Temporarily prohibiting rules adopted or amended on or after January 1, 2005, pertaining to any workers' compensation case under chapter 386, Hawaii Revised Statutes (HRS), from having the force and effect of law; and
- (3) Specifying procedures and requirements for workers' compensation claim hearings.

The Hawaii Injured Workers Alliance, Hawaii State Teachers Association, Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, ILWU Local 142, Hawaii State AFL-CIO, Laborers' International Union of North America Local 368, AFL-CIO, Rehabilitation Association of Hawaii, Hawaii Rehabilitation Counseling Association, Lynn C. Fox & Associates, Hawaii State Chiropractic Association, ChiroCenter Kahului, and numerous concerned citizens supported this bill. Ho'okako'o Corporation supported this bill with amendments. The Department of Labor and Industrial Relations (DLIR), Department of Commerce and Consumer Affairs, Department of Finance of the County of Maui, Guardian of Hawaii, Ltd., Hawaii Medical Association, The Chamber of Commerce of Hawaii, Employers' Chamber of Commerce, National Federation of Independent Business-Hawaiian Affairs, Hawaii Insurers Council, Work Loss Data Institute, Concentra Medical Centers, Atlas Insurance Agency, Inc., Metcalf Construction Company, Inc., CC Engineering & Construction, Inc., Island Insurance Companies, Building Industry Association of Hawaii, First Insurance Company of Hawaii, Ltd., CO-HA Builders, Inc., Foodland Super Market, Ltd., Mark Development, Inc., Electrical Contractors Hawaii, Inc., Hawaii Restaurant Association, and numerous concerned citizens opposed this bill. The Department of Human Resources Development, Charter School Administrative Office, and a concerned citizen offered comments.

Your Committee notes that the intent of this measure is to protect the constitutional mandate that the Legislature draft the laws to establish policies governing the people of Hawaii. Any delegation of our legislative powers to the Executive Branch for rulemaking is administrative in nature and does not give the Executive Branch the power to make or change the laws through rulemaking. See 1 *Am. Jur. 2d*, Administrative Laws, §132 (1962). In the area of workers' compensation, the Legislature has balanced the interest of society to return gainfully employed workers to the workforce after an injury, the interest of the injured worker, and the liability interest of the employer.

Last year, the Administration proposed an omnibus bill to reform the State's workers compensation system, purporting to reduce the average cost of workers' compensation premiums. By seeking the enactment of the Workers' Compensation Omnibus Bill during the Regular Session of 2004, the Administration implicitly recognized that without changes in chapter 386, HRS, the Executive Branch lacked sufficient authority to implement policy changes in the foregoing areas. Lawmakers found that the omnibus bill would disrupt the balance achieved in the existing legislation and rejected the omnibus bill resoundingly.

Now, in 2005, the Director of Labor and Industrial Relations (Director) and the Administration are seeking major changes to Hawaii Administrative Rules (HAR) on workers' compensation that, if promulgated and adopted, would represent substantial changes in the law regarding compensability, medical care and treatment, vocational rehabilitation and other benefits, attorney's fees, and formalized procedures for investigating and handling claims through arbitration. The proposed rule changes would constitute a substantial departure from the legislative purpose and intent as now found in chapter 386, HRS, and the existing administrative rules. Furthermore, the Administration has given every indication that it intends to cut workers' rights and benefits retroactively by applying the proposed rules to all claims regardless of when the claims were filed.

The Administration's changes to administrative rules, usurping legislative authority, are proposed at a time of conflicting economic indicators that contradicts the need for promulgating procedures that violate the existing law. Your Committee has learned that in October 2004, the Insurance Commissioner approved a proposed change in workers' compensation loss costs that realized a three percent decrease in loss costs, associated with medical costs, disability benefit payments, vocational and other rehabilitation costs, and survivor benefits.

Where the Administration exceeds the boundaries of executive powers and encroaches upon legislative prerogatives, the Legislature must protect its constitutional charge to create the laws, pursuant to the "separation of powers" doctrine outlined in the Constitution of the State of Hawaii. The goal of this bill is to protect the Legislature's authority in making the law and to incorporate, into the existing law, provisions to assure that the intent of the Legislature is achieved in the area of workers' compensation. To achieve these goals this bill, among other things:

- (1) Codifies into law the existing HAR that reflect the purpose and intent of the legislature reflected in chapter 386, HRS;
- (2) Assures that the Administration does not usurp the authority of the Legislature in creating laws by limiting the Director's rulemaking authority;
- (3) Otherwise describes requirements and procedures for vocational rehabilitation services and filing claims generally; and
- (4) Gives certain authority to the Insurance Commissioner related to fraud investigations and makes additional provisions in the workers' compensation fraud statute for individuals successful in pursuing a fraud charge.

Specifically, the Administration's proposed changes to existing administrative rules in workers' compensation is in direct conflict with existing statutory law, rules and regulations, policies, and case law on the workers' compensation as shown by the following examples of the conflict:

- (1) The Legislature specifically rejected a broad exclusion of stress claims under workers' compensation in 1998 when it limited the exclusion to mental stress claims arising solely from disciplinary action. HRS §386-3(c). See Act 224, SLH 1998. The legislative intent was recognized by the Intermediate Court of Appeal in *Davenport v. City and County of Honolulu*, 100 Hawaii 297 (2002) and by the Hawaii Supreme Court in

affirming the ICA in 100 Hawai'i 481. The Administration now seeks to define "disciplinary action" to include what are essentially non-disciplinary, personnel matters. See proposed change to HAR §12-10-1 (definition of "disciplinary action" includes action where "no sanction or punishment is ultimately imposed."). The proposed change would result in injuries otherwise compensable under the law being excluded from workers' compensation coverage;

- (2) An injured worker is entitled to temporary disability benefits so long as the worker is unable to resume work. HRS §386-31(b). The legislative intent has been recognized by the courts. See *Atchley v. Bank of Hawai'i*, 80 Hawai'i 239 (1996). The Administration seeks a subtle but substantial change in the definition of "able to resume work" that would terminate benefits if the employee was unable to perform light duty work but the employer offered light duty. See proposed change to HAR §12-10-1 (definition of "able to resume work"). The commercial guidelines the Director seeks to apply in all workers' compensation cases, see proposed change to HAR §12-15-30(d) and §12-15-32, could also create presumptions on the maximum number of days an employee should miss from work for any given type of injury. The current law provides no presumption for how long an employee can remain out on disability before being "able to resume work." See HRS §386-85;
- (3) The Legislature intended that all processing of claims at the Disability Compensation Division (DCD) level and proceedings before the Director be informal, not contested case, hearings under chapter 91, HRS. To the degree possible, this allows claimants to represent themselves at the DCD level. For that reason the Labor Appeals and Industrial Relations Appeals Board was given de novo review on any appeal. HRS §386-87. The administrative rules until the present have been consistent with this intent by narrowly allowing certain discovery and other procedures that would otherwise appear in a civil litigation. HAR §12-10-65 to §12-10-67. The administration seeks formal discovery and hearing procedures that impose waivers of statutory rights if the claimant fails to comply with the procedures. See proposed changes to HAR §12-10-65 and §12-10-72.1. The Administration seeks the power to impose similar waivers of statutory rights in the area of vocational rehabilitation if a party fails to specify in detail arguments and evidence on why it is seeking reconsideration of determinations by the vocational rehabilitation unit of the Administration. Such procedural requirements necessitate that the claimant seek legal representation in any dispute with the employer that requires a hearing. These proposed changes are in conflict with the legislative intent of an informal process at the DCD level;
- (4) The Legislature requires the Director to conduct a hearing on any dispute between the claimant and the employer. HRS §386-86 (decisions to be rendered after a hearing). The Administration proposes the use of summary judgment which would deny the parties a right to a hearing. See proposed changes to HAR §12-10-72.1. The proposed use of alternative dispute resolution (ADR) or mediation could also preclude a hearing and would impose waivers of statutory rights if the claimant enters into some form of ADR or mediation. See proposed changes to HAR §12-10-66;
- (5) The Legislature provided for payment of attorney fees upon review by the Director. HRS §386-94. That review, however, was not unfettered and fees that were reasonable were to be approved. See HRS §386-93(a). The Administration proposes to impose factors that are not relevant to determining if the fees are reasonable. See proposed changes to HAR §12-10-69(b). Arbitrarily limiting claimant attorney fees to 15 percent of the compensation paid would result in no payment if the claimant loses on compensability and artificially reduce legal payments in other disputed areas of a claim. In practicality, the proposed changes would result in claimants being unable to secure attorneys in disputed compensability cases;
- (6) The Legislature provided presumptions in the law to minimize challenges to benefits while providing provisions elsewhere in the statute to minimize the employer's exposure to liability. Compare HRS §386-85 with HRS §386-5 and §386-8. The Legislature did not intend for any other presumptions or burdens of proof to be arbitrarily assigned to one party or the other. The party or parties who must bear the burden of proof is to be determined by law consistent with the purpose of the statute. The Administration proposes to arbitrarily assign the burden to the party requesting the hearing. See proposed change to HAR §12-10-72.1. Because the employer can withhold or deny benefits, the claimant will always be the party requesting a hearing and therefore will always hold the burden of proof at a hearing. This shifts the balance created by the Legislature between the presumptions and the limits to the employers' liability;
- (7) The Legislature provided for vocational rehabilitation services to "restore an injured worker's earning capacity as nearly as possible to that level which the worker was earning at the time of injury" and to "return the injured worker to suitable work in the active labor force as quickly as possible in a cost-effective manner." HRS §386-25. Vocation is defined as a person's business, profession, or occupation. *Roberts' Dictionary of Industrial Relations* 759 (3rd Ed.). Occupation is a person's trade or vocation that provides the principal way an individual makes a living. *Id.* at 493. The legislative intent was not to arbitrarily exclude any option that might restore the worker's earnings in suitable work achieved in a time and cost efficient manner. The rules for years have recognized that intent. See HAR §12-14-1. The Administration proposes to arbitrarily exclude self-employment as a form of suitable work for rehabilitation, which might actually prove to be the most time and cost efficient manner of returning an injured worker to suitable work. See proposed change to HAR §12-14-1. An arbitrary exclusion of self-employment as suitable work in rehabilitation is in direct conflict with the current legislation that weighs all factors in considering the appropriate rehabilitation for the injured worker;
- (8) Related to vocational rehabilitation benefits, the Administration also proposes to arbitrarily limit services to 104 weeks. See proposed change HAR §12-14-5(c)(7). The legislative intent was to reduce the hardship generally on society by keeping an employee in gainful employment balanced against time and cost efficiency concerns. HRS §386-25(a). If an employee sustains a substantial loss in earning capacity and has significant financial obligations as a result of an industrial injury, it was the legislative intent that the employee receive the services necessary to allow that employee to continue to meet those financial obligations and remain productive in society. To arbitrarily terminate services at 104 weeks even if to do so precludes achieving the legislative objective is directly in conflict with the intent of the law. Similarly, it is contrary to the legislative intent for the Administration to propose a rule to restrict any vocational rehabilitation services to looking for work that is similar in nature to work performed by the injured worker in the past since some injuries might preclude return to any form of work similar to past experiences. See proposed change to HAR §12-14-4(b)(2)(F)(iii);

- (9) Given the inherent tension between the injured worker and the employer in the appropriateness of any vocational rehabilitation plan, it was the intent of the Legislature that the Director determine the appropriateness of the plan. HRS §386-25(b),(h). Directly contrary to this intent is the Administration's proposal to give the employer the authority to deny a plan which is then only subject to review by the Director for having "unreasonably withheld its approval." See proposed change HAR §12-14-5(d);
- (10) The Legislature provided authority to the Director to issue guidelines on health care and services. HRS §386-26. That authority was not without restrictions. The Director was limited to *guidelines* related to the frequency of treatment and for *reasonable* use of medical care and services that are considered necessary and appropriate under the statute. HRS §386-26. A guideline is an indication or outline of policy or conduct as defined by the *Merriam-Webster* dictionary. It is something that serves as a guide or an example. *The American Heritage Dictionary of the English Language*. The Administration proposes to turn the guidelines from suggestive and informative to a presumptive guide in determining reasonableness of care. See proposed change to HAR §12-15-32. The scope of treatment would be prescribed by a commercial organization's publication and only allow rebuttal by other evidence-based national guidelines. See proposed changes to HAR §12-15-30(d) and §12-15-32. In 1996, the Legislature deleted the requirement that the Director approve treatments (up to ten additional treatments) after the initial five treatments. Act 260, SLH 1996 at 575-76. The effect of the 1996 legislative change was more flexibility in treating the claimant. The Administration's proposal to convert to mandatory, presumptively valid commercial guidelines is contrary to the legislative intent on guidelines and the general intent to require the employer to provide all medical care, service, and supplies "as the nature of the injury requires." HRS §386-21;
- (11) Related to HRS §386-21, the Administration also proposed to arbitrarily limit any emergency care to the first seventy-two hours following the injury. See proposed changes to HAR §12-15-1 and §12-15-50. Under the statute, the appropriateness of emergency medical treatment should be submitted to the statutory test of whether it was "reasonably related to the nature of the injury." HRS §386-21. Arbitrarily limiting the service to the first three days following an injury is arbitrary and contrary to the legislative intent in HRS §386-21; and
- (12) The Legislature provided for employers to become self-insured if they satisfied certain safeguards under the law. See HRS §386-121. The Legislature finds the changes proposed by the Director, see proposed changes to HAR §12-10-94, are overly restrictive and will deter otherwise solvent, adequately financed employers from qualifying for self-insurance. It is the intent of the Legislature to give employers options in how they secure compensation to their employees for workers' compensation injuries. The proposed changes restrictively limit those options.

Your Committee believes these actions by DLIR to make changes to HAR §§12-10, 12-14, and 12-15 represent a usurpation of legislative authority. In a democratic system, the role of formulating policy is reserved exclusively for those in the Legislative Branch. See *Sherman v. Sawyer*, 63 Haw. 55, 621 P.2d 349 (1980) ("Legislative power" is defined as power to enact laws and to declare what law shall be.). Under the separation of powers doctrine, the authority of the Executive Branch is restricted to executing and applying the laws enacted by legislators.

Your Committee finds that this bill, by incorporating into chapter 386, HRS, the substantive definitions, standards, criteria, and policies in effect on January 1, 2005, under currently existing rules and regulations, policies, and case law in the relevant substantive areas, will preserve and protect the prerogative of the Legislative Branch of government and prevent the abuse of power. Your Committee also finds the changes to the fraud section and to section 431:2-203, HRS, in the bill authorizes the Insurance Commissioner to investigate and prosecute complaints of workers' compensation fraud while also adding language under the fraud provision related to parties successfully bringing a fraud claim.

Your Committee determines that the law, under the current administrative rules regarding the disability compensation division, should be maintained through codification, as well as amended through the inclusion of provisions that allow for further refinement of the law and the system.

As referred to your Committee, section 7 of this measure prohibits rules adopted or amended on or after January 1, 2005, pertaining to workers' compensation cases, from having the force and effect of law, with a drop dead clause for section 7 effective January 1, 2011. Your Committee has amended this bill, instead, to include a drop dead date of January 1, 2007. Your Committee believes that a two-year restriction on rulemaking is sufficient time for the Administration to comprehend the intent of the Legislature through the changes made by this bill and to evaluate what changes, consistent with the legislative intent, would be appropriate that would not conflict with the legislative intent.

Therefore, your Committee has amended this bill by:

- (1) Changing the repeal date of the provision prohibiting rules adopted or amended on or after January 1, 2005, pertaining to any workers' compensation case under chapter 386, HRS, from having the force and effect of law, to January 1, 2007; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1773, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1773, H.D. 1.

Signed by all members of the Committee except Representative Nishimoto.
(Representatives Fox, Meyer, Moses and Pine voted no.)

SCRep. 1006 Finance on H.B. No. 450

The purpose of this bill is to appropriate funds for the biennial budget (fiscal years 2005-2006 and 2006-2007) of the Office of Hawaiian Affairs (OHA).

OHA, Halau Ku Mana, Alu Like, Inc., and numerous concerned individuals testified in support of this bill.

The budget for OHA has remained relatively stable for the past several years and this coming biennium is no exception. In addition to several small housekeeping transfers within its budget, OHA has also requested additional funding for three programs. These programs are the Multi Service Project for Alu Like, Inc., Na Pua No'eau, and the Native Hawaiian Legal Corporation.

Additional funding for these programs will allow OHA to provide additional services to its target population. Specifically, Alu Like, Inc., helps provide the right of entry for beneficiary needs with respect to human services; Na Pua No'eau helps to nurture leadership qualities in native Hawaiian children; and the Native Hawaiian Legal Corporation provides legal assistance to native Hawaiians involved in defense or assertion of claims to land, natural resources, and related entitlements.

Your Committee on Hawaiian Affairs provided full funding for all of OHA's initiatives, and your Committee on Finance agrees with this position.

Your Committee on Finance has amended this measure by correcting an erroneous dollar figure in the second fiscal year of the budget for beneficiary advocacy (OHA 175) to clarify that the funds appropriated should read \$2,869,991 rather than \$2,89,991.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 450 H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 450, H.D. 2.

Signed by all members of the Committee.

SCRep. 1007 Finance on H.B. No. 500

The purpose of this bill is to provide the necessary appropriations and authorizations for the operation of and capital improvements for the Judiciary for fiscal biennium 2005-2007.

The Judiciary, Child Welfare Services State Advisory Council, Volunteer Legal Services Hawaii, Na Loio Immigrant Rights and Public Interest Legal Center, and several concerned individuals from Catholic Charities Hawaii testified in support of this bill. Several concerned individuals opposed this measure.

Last year, the Legislature approved what became Act 40, Session Laws of Hawaii 2004 (Act 40), which sought to address the crystal methamphetamine (ice) epidemic. In Act 40, \$3,175,419 was provided to the Judiciary for expansion of its Drug Court system.

Your Committee finds that the Drug Courts provide a tangible benefit in the fight against the ice epidemic. Since the program's inception, 432 clients have graduated. The overall recidivism rate of five percent shows that this program is providing a much-needed service and achieving success at helping individuals overcome their substance abuse problems. Therefore, your Committee has not only continued drug court funding at the Act 40 level, but has provided an additional \$3.6 million in fiscal year 2005-2006 and \$3.7 million in fiscal year 2006-2007. These additional funds will allow the Drug Court to expand its Family Drug Court services in the First Circuit, establish a Juvenile Drug Court program in the Fifth Circuit, and extend services to the island of Molokai.

For the First Circuit, your Committee has appropriated an additional \$353,979 to provide additional counselors and services to families in which parents are at risk of losing their children. The Family Drug Court has proven to be effective over the years: in 2004, of the 38 clients admitted into the program, 20 graduated successfully, and since the program's inception, 71 parents and 118 children have received services that include additional treatment, parenting classes, anger management treatment, safe and sober housing, and vocational rehabilitation.

To address the growing problem of substance abuse among juveniles, your Committee has appropriated \$91,002 to the Fifth Circuit to establish a Juvenile Drug Court program. The Kauai Juvenile Drug Court, which is scheduled to begin in July 2005, will offer services to at least 20 juveniles and their families. The Juvenile Drug Court in the First Circuit has already proven to be effective: for the 25 Juvenile Drug Court clients who graduated between January 2003, and November 2004, a success rate of 88 percent was reported and only 3 have recidivated, a significantly lower rate than the national norm.

Prior to the passage of Act 40, Molokai residents had to temporarily relocate to Maui or make long commutes to gain access to Drug Court services. However, in keeping with its commitment to provide Drug Court services to the entire state, your Committee has appropriated additional funds to expand this program to the island of Molokai. Since its inception, the Second Circuit has graduated 135 clients, and this expansion will bring the state another step closer to curing the ice epidemic.

Your Committee realizes the harmful and far-reaching impacts of drug abuse in Hawaii. This budget demonstrates the Legislature's intent to join forces with the Judiciary to fulfill a commitment to stamp out drug abuse in our communities.

Since its establishment in 1997, the Juvenile Sex Offender program has offered services and treatment to sex-offending juveniles and their families. The effectiveness of the program has resulted in a ten percent recidivism rate. Your Committee recognizes the importance and significance of early intervention and a comprehensive approach to effectively treating and managing individuals with sex-offending behaviors, and has appropriated an additional \$359,491 to continue the Juvenile Sex Offender program's specialized assistance to these youth and their families.

With the anticipated completion of the new Kauai Judiciary Complex in July 2005, your Committee has appropriated \$297,388 in fiscal year 2005-2006 and \$470,162 in fiscal year 2006-2007 to fund its operating costs. These costs include expenses for utilities, elevator maintenance, electronic security, and the Jefferson Audio Video System. The opening of the new complex will expand the number of courtrooms to help ease scheduling conflicts.

Your Committee has amended this bill by:

- (1) Reducing the general fund appropriation by a total of 44 position counts and \$3,140,685 for fiscal year 2005-2006, and 46 position counts and \$2,574,999 for fiscal year 2006-2007;
- (2) Reducing the special fund appropriation by \$1,000 for each fiscal year of the 2005-2007 biennium; and
- (3) Reducing the appropriation for capital improvements projects by \$95,000,000 to reflect deletion of funds for the Kapolei Judiciary Complex.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 500, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 500, H.D. 2.

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

SCRep. 1008 Health on H.C.R. No. 39

The purpose of this concurrent resolution is to request the Auditor to assess the social and financial effects of requiring health insurers to offer coverage for colorectal cancer screening by colonoscopy.

The Hawaii Medical Service Association and American Cancer Society supported this concurrent resolution. Kaiser Permanente supported the intent of this measure.

Your Committee finds that early diagnosis of colorectal cancer is an extremely important tool in maintaining a healthy society. Diagnosing and treating colorectal cancer in its early stages increases the chances of a full and complete recovery.

Your Committee has amended this concurrent resolution by:

- (1) Adding fecal occult blood testing and flexible sigmoidoscopy to the tests that should be studied for possible coverage by health insurers;
- (2) Changing the title of this concurrent resolution to:
"REQUESTING THE AUDITOR TO ASSESS THE SOCIAL AND FINANCIAL EFFECTS OF REQUIRING HEALTH INSURERS TO OFFER COVERAGE FOR COLORECTAL CANCER SCREENING BY FECAL OCCULT BLOOD TESTING, FLEXIBLE SIGMOIDOSCOPY, AND COLONOSCOPY"; and
- (3) Making technical, nonsubstantive changes for 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. 39, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.C.R. No. 39, H.D. 1.

Signed by all members of the Committee except Representatives Nishimoto and Finnegan.

SCRep. 1009 Health on H.C.R. No. 35

The purpose of this concurrent resolution is to request the Auditor to study the social and financial impact that would be incurred by health insurers if coverage were to be provided for initial medical visits and psychological assessments even if previously undiagnosed medical or psychological conditions that require further treatment were discovered.

The Hawaii Medical Service Association supported this measure.

Your Committee finds that the information gained by a study of the financial impact of providing increased health benefits is an important tool that will assist further legislation to create viable healthcare solutions.

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. 35 and recommends that it be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Nishimoto and Finnegan.

SCRep. 1010 Housing on H.C.R. No. 14

The purpose of this concurrent resolution is to request the Housing and Community Development Corporation of Hawaii (HCDCH) to convene a coordinating committee to identify and evaluate existing government affordable housing financing programs.

The Pacific Housing Assistance Corporation and a concerned citizen testified in support of this concurrent resolution. HCDCH provided comments.

As affirmed by the record of votes of the members of your Committee on Housing 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 Finance.

Signed by all members of the Committee except Representatives Arakaki, Sonson and Pine.

SCRep. 1011 Transportation on H.C.R. No. 31

The purpose of this concurrent resolution is to ensure the safety of bicyclists and pedestrians by requesting the Department of Transportation (DOT) to take necessary steps to fill the vacant position of Bicycle and Pedestrian Coordinator for the Bike Plan Hawaii Project (Bike Plan Hawaii).

DOT and the Leeward Oahu Transportation Management Association testified in support of this measure.

Bike Plan Hawaii was developed as part of overall transportation planning efforts on Oahu with the goal of promoting bicycling as an attractive, safe, and legitimate form of transportation throughout the state. Your Committee finds that the Bicycle and Pedestrian Coordinator for the Traffic Branch of DOT, whose responsibility included oversight of bicycle, pedestrian, and Americans with Disabilities Act programs statewide, was vacated several months ago. Although DOT has been conducting an extensive recruitment for this important position, attracting a qualified candidate has been difficult.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 31 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shimabukuro.

SCRep. 1012 Transportation on H.R. No. 28

The purpose of this resolution is to ensure the safety of bicyclists and pedestrians by requesting the Department of Transportation (DOT) to take necessary steps to fill the vacant position of Bicycle and Pedestrian Coordinator for the Bike Plan Hawaii Project (Bike Plan Hawaii).

DOT and the Leeward Oahu Transportation Management Association testified in support of this measure.

Bike Plan Hawaii was developed as part of overall transportation planning efforts on Oahu with the goal of promoting bicycling as an attractive, safe, and legitimate form of transportation throughout the state. Your Committee finds that the Bicycle and Pedestrian Coordinator for the Traffic Branch of DOT, whose responsibility included oversight of bicycle, pedestrian, and Americans with Disabilities Act programs statewide, was vacated several months ago. Although DOT has been conducting an extensive recruitment for this important position, attracting a qualified candidate has been difficult.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 28 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shimabukuro.

SCRep. 1013 Transportation on H.C.R. No. 7

The purpose of this concurrent resolution is to request that the Department of Transportation (DOT) to include a review of the economic feasibility of constructing a fixed rail system around the Island of Hawaii in the Hawaii Long Range Land Transportation Plan.

DOT testified in support of this measure.

The island of Hawaii is currently experiencing an increase in business and economic development resulting in increases in population growth and private automobiles. Your Committee finds that the Island of Hawaii still features large, open spaces and that the feasibility of developing a fixed rail system appears to be a potentially attractive solution to future traffic congestion.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 7 and recommends its adoption.

Signed by all members of the Committee except Representative Shimabukuro.

SCRep. 1014 Transportation on H.C.R. No. 51

The purpose of this concurrent resolution is to request the Oahu Metropolitan Planning Organization (OMPO) to perform a study on the feasibility of an alternate route of ingress to and egress from the Mililani Mauka area.

The Department of Transportation testified in support of this measure. OMPO submitted comments.

The fast-growing community of Mililani Mauka is served by a single route of ingress and egress which results in traffic congestion during peak hours. With continued growth in the area and increased subdivision development, the number of automobiles is expected to increase in the very near future, only compounding the problem. Your Committee believes that a second access road to this community will help alleviate some of this congestion and that a feasibility study needs to be conducted to determine if this is the direction in which to proceed.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 51 and recommends its adoption.

Signed by all members of the Committee except Representative Shimabukuro.

SCRep. 1015 Transportation on H.C.R. No. 57

The purpose of this concurrent resolution is to address decreased reserves in the Airports and Harbors Special Funds by requesting the Department of Transportation (DOT) to:

- (1) Study its current rate and fee structure for the airports and harbors of the State of Hawaii relative to anticipated capital improvement projects needs for these facilities; and
- (2) Determine whether the rate and fee structures must be increased to meet the needs of Hawaii's airports and harbors.

Matson Navigation Company testified in support of this measure. DOT supported the intent of this measure.

The State of Hawaii is faced with the challenge of funding priorities for harbor and airport projects to meet the growing demands for the use of these facilities due to Hawaii's expanding economy. To meet the demands of increased air service, cruise ship service, and special transportation systems such as the Hawaii Superferry and the City and County of Honolulu's proposed intra-island ferry, DOT has embarked on ambitious plans to modernize and remodel many of the airports and harbors throughout the islands to accommodate the increase in passengers, vessels, and cargo.

Your Committee notes that airport fees have not been adjusted since 1990 and harbor fees have not been adjusted since 1996 and is concerned that without an increase in these rates and fees, special fund reserves may fall below acceptable levels. This study will allow DOT, as well as the Legislature, to make fiscally prudent and sound decisions to meet the future demands of Hawaii's airports and harbors.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 57 and recommends its adoption.

Signed by all members of the Committee except Representative Shimabukuro.

SCRep. 1016 Housing on H.C.R. No. 3

The purpose of this concurrent resolution is to request Hawaii's congressional delegation to support federal policies designed to eliminate homelessness in the United States.

The City and County of Honolulu Department of Community Services and several concerned citizens supported this concurrent resolution. A concerned citizen supported this concurrent resolution and offered an amendment. The Hawaii Youth Services Network provided comments.

Your Committee finds that Hawaii's congressional delegation is already in strong support of programs that provide housing and supportive services to persons who are homeless.

Moreover, your Committee received testimony that Federal priorities must be shifted to taking care of Americans at home, including building the additional housing units.

Accordingly, your Committee has amended this concurrent resolution by:

- (1) Amending its title to read, "URGING THE PRESIDENT TO SUPPORT FEDERAL POLICIES DESIGNED TO ELIMINATE HOMELESSNESS IN THE UNITED STATES";
- (2) Urging the President, instead of Hawaii's congressional delegation, to support federal policies to eliminate homelessness; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Housing 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 its adoption in the form attached hereto as H.C.R. No. 3, H.D. 1.

Signed by all members of the Committee except Representatives Arakaki, Sonson and Pine.

SCRep. 1017 Housing on H.R. No. 14

The purpose of this resolution is to request Hawaii's congressional delegation to support federal policies designed to eliminate homelessness in the United States.

The City and County of Honolulu Department of Community Services and several concerned citizens supported this resolution. A concerned citizen supported this resolution and offered an amendment. The Hawaii Youth Services Network provided comments.

Your Committee finds that Hawaii's congressional delegation is already in strong support of programs that provide housing and supportive services to persons who are homeless.

Moreover, your Committee received testimony that Federal priorities must be shifted to taking care of Americans at home, including building the additional housing units.

Accordingly, your Committee has amended this resolution by:

- (1) Amending its title to read, "URGING THE PRESIDENT TO SUPPORT FEDERAL POLICIES DESIGNED TO ELIMINATE HOMELESSNESS IN THE UNITED STATES";
- (2) Urging the President, instead of Hawaii's congressional delegation, to support federal policies to eliminate homelessness; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 14, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 14, H.D. 1.

Signed by all members of the Committee except Representatives Arakaki, Sonson and Pine.

SCRep. 1018 Transportation on S.B. No. 73

The purpose of this bill is to simplify the inspection and certification of motor carrier vehicles by requiring that inspections and certifications take place annually during the month in which the vehicle's certificate of motor vehicle registration is issued.

The Department of Transportation and Hawaii Transportation Association testified in support of this bill.

Currently, all commercial motor vehicles have their annual safety inspections conducted during the month of June. This necessitates approximately 100,000 vehicles being inspected at the same time, creating a backlog at inspection stations.

Your Committee finds that this measure will ease the burden placed on inspectors and safety inspection and certification stations by spreading out inspection deadlines over the course of a year.

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. 73 and recommends that it pass Second Reading and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee except Representative Shimabukuro.

SCRep. 1019 Transportation on S.B. No. 988

The purpose of this bill is to limit loud motor vehicle back-up beeper noises by:

- (1) Providing drivers with the option of turning off audible reverse warning systems if the vehicle is guided by another person who is positioned behind the vehicle with a clear line of sight to the driver who is reversing a vehicle:
 - (A) Between the hours of 10:00 p.m. and 6:00 a.m.;
 - (B) Within 200 hundred feet of a hospital or hotel; and
 - (C) In a residential neighborhood;

and
- (2) Requiring that any switch permitting the audible reverse warning system to be manually disengaged shall automatically turn off after not more than three minutes and automatically re-engage the audible reverse warning system.

The Department of Transportation, Honolulu Police Department (HPD), Association of Apartment Owners-Summer Palace Condominium, Pat Winston's Waikiki Condos, and several concerned individuals testified in support of this bill.

Backup warning beepers on large trucks and service vehicles produce a great deal of noise, especially during the late night and early morning hours, and account for a number of noise complaints to HPD each day. Your Committee finds that this measure offers relief from the noise of backup warning beepers while still providing needed protection for individuals walking behind these vehicles.

Your Committee has amended this measure by:

- (1) Deleting the provisions allowing audible reverse warning systems to be disengaged within 200 feet of a hospital or hotel or within residential neighborhoods;
- (2) Requiring the Director of Transportation to establish rules pursuant to chapter 91, Hawaii Revised Statutes, to address audible reverse warning systems;
- (3) Clarifying that the time period required for the automatic re-engaging of the audible reverse warning system after any mechanism permitting the audible reverse warning system to be manually disengaged has been activated shall be specified by rule; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 988, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 988, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Shimabukuro.

SCRep. 1020 Health on H.C.R. No. 36

The purpose of this concurrent resolution is to request the Auditor perform a study on the social and financial implications of requiring health insurers to offer coverage of medical procedures for the early detection of prostate cancer.

The American Cancer Society, Hawaii Medical Service Association, National Prostate Cancer Coalition, and a concerned individual supported this concurrent resolution. Kaiser Permanente supported the intent of this measure.

Your Committee finds that early detection of prostate cancer is vital to preventing its debilitating and deadly effects by setting into motion the appropriate treatment regimen at the earliest possible time and thereby increasing the chances of a full recovery for those afflicted by this disease.

In an effort to more fully address this concern, your Committee has amended this concurrent resolution by:

- (1) Adding the prostate cancer early detection guidelines of the:
 - (A) American Academy of Family Physicians;
 - (B) American Cancer Society;
 - (C) American Urological Association, Inc.;
 - (D) Centers for Disease Control; and
 - (E) United States Preventive Services Task Force;
- (2) Changing the title of the concurrent resolution to read:

"REQUESTING THE AUDITOR TO ASSESS THE SOCIAL AND FINANCIAL EFFECTS OF REQUIRING HEALTH INSURERS TO OFFER COVERAGE FOR THE EARLY DETECTION OF PROSTATE CANCER IN ACCORDANCE WITH NATIONALLY RECOGNIZED AND ACCEPTED PROSTATE CANCER EARLY DETECTION GUIDELINES"; and
- (3) Making technical, nonsubstantive changes for 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. 36, as amended herein, and recommends that it be referred to the Committee on Consumer Protection & Commerce in the form attached hereto as H.C.R. No. 36, H.D. 1.

Signed by all members of the Committee except Representatives Nishimoto and Finnegan.

SCRep. 1021 Economic Development & Business Concerns on S.B. No. 1038

The purpose of this bill is to promote and develop a professional procurement workforce, improve contract opportunities for private sector contractors, and promote excellence in procurement accountability and administration for the public sector by:

- (1) Removing oversight of the Procurement Institute from the State Procurement Office; and
- (2) Establishing the Procurement Institute at the William S. Richardson School of Law of the University of Hawaii.

The Chamber of Commerce of Hawaii, Limtiaco Company, and concerned individuals testified in support of this bill. The Department of Accounting and General Services supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1038, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representative Ching.

SCRep. 1022 Consumer Protection & Commerce on S.B. No. 747

The purpose of this bill is to take the first steps toward ensuring that money transmitter businesses are used for lawful purposes. Specifically, this bill establishes a registration system for persons conducting money transmission services that:

- (1) Requires persons to register as money transmitters with the Commissioner of Financial Institutions; and
- (2) Provides civil penalties for transmitting money without being registered.

Your Committee received testimony in support of this bill from the Office of the Lieutenant Governor, Department of Commerce and Consumer Affairs, and Hawaii Bankers Association. Testimony in opposition to this measure was received from the Non-Bank Funds Transmitters Group.

Your Committee finds that money transmitters receive currency or payment instruments and transmit these by wire, facsimile, electronic transfer, and other means, to another location inside or outside the United States. Money transmitters are a portal into the nation's financial system, and can be used to launder and circulate the financial means for crimes such as drug trafficking and terrorism.

Your Committee believes that some regulation of money transmitters in this state is warranted at this time. There was testimony that federal laws governing money transmitters are not being enforced as aggressively as state laws, especially with respect to smaller, non-bank financial institutions. Further, Hawaii currently has no information about money transmitters whose operations include Hawaii, and has no means of knowing even such basic information as how many there are, and where they are.

Your Committee notes that the term "currency" was used in the measure but was not defined and has amended this measure by:

- (1) Providing a definition of "currency";
- (2) Exempting from registration, businesses such as armored car couriers that transport currency; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 747, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 747, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Caldwell, Kanoho, Morita, Saiki and Stonebraker.

SCRep. 1023 Water, Land, & Ocean Resources on S.B. No. 1461

The purpose of this bill is to appropriate funds to conduct a pilot project for the Kaiaka Bay, Oahu, watershed assessment and action plan, as a model for statewide use.

The Department of Health supported the intent of this measure and expressed reservations.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2010, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, style, and conformity.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1461, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1461, S.D. 2, H.D. 1, and be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representatives Carroll and Morita.

SCRep. 1024 Health on H.C.R. No. 11

The purpose of this concurrent resolution is to request the Auditor to assess the social and financial effects of requiring health insurers to offer coverage for drug and alcohol screening and counseling in emergency rooms, or as part of primary care.

The Mililani Town Anti-Drug Committee and the Representative of the 38th District which encompasses Mililani and Mililani Mauka supported this concurrent resolution. The Hawaii Medical Service Association supported the intent of this measure.

Your Committee finds that emergency room physicians are in a unique position to assess if incoming patients are in need of drug and alcohol screening, and a study of the social and financial benefits of these services would provide important information that could be used to formulate further legislation in this area.

Your Committee, however, also finds that drug or alcohol counseling would be inappropriate and ineffective in an emergency room setting. In addition, there are issues of confidentiality raised in cases where primary care physicians would be allowed to provide screening services without patient permission and consent.

As such, this concurrent resolution has been amended by:

- (1) Deleting counseling as one of the services that should be studied for possible coverage by health insurers;
- (2) Limiting the scope of providers to "emergency room physicians," if screening is being performed without patient permission and consent;
- (3) Amending its title to read, "REQUESTING THE AUDITOR TO ASSESS THE SOCIAL AND FINANCIAL EFFECTS OF REQUIRING HEALTH INSURERS TO OFFER COVERAGE FOR DRUG AND ALCOHOL SCREENING IN EMERGENCY ROOMS"; and

- (4) Making technical, nonsubstantive changes for 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. 11, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 11, H.D. 1.

Signed by all members of the Committee except Representatives Nishimoto and Finnegan.

SCRep. 1025 Health on H.R. No. 24

The purpose of this resolution is to request that the Department of Education (DOE) and the Department of Health (DOH) to:

- (1) Coordinate their efforts to establish a surveillance system for tracking childhood obesity data; and
- (2) Implement best practices programs for prevention and treatment interventions that reduce childhood obesity.

The Kapiolani Medical Center for Women & Children and the Hawaii Medical Service Association supported this resolution. DOH opposed this resolution.

Your Committee finds that data on childhood obesity would provide objective information for decision makers and help educators to better understand how to prevent and treat obesity in children and youth.

Act 51, Session Laws of Hawaii 2004, is an initiating force behind this resolution, as the combined effect of Act 51 and the "No Child Left Behind" Act appear to have reduced the amount of school time now allocated to physical education.

In order to be effective, the planning and development of the surveillance system will require the coordinated efforts of both DOH and DOE.

Your Committee has amended this resolution by:

- (1) Changing the emphasis of the resolution to request that the surveillance system be "planned and developed," rather than "established";
- (2) Changing its title to read:

"REQUESTING THE DEPARTMENT OF EDUCATION AND THE DEPARTMENT OF HEALTH TO COORDINATE EFFORTS TO PLAN AND DEVELOP A SURVEILLANCE SYSTEM FOR TRACKING CHILDHOOD OBESITY DATA AND IMPLEMENTING "BEST PRACTICES" PREVENTION AND TREATMENT INTERVENTION PROGRAMS TO REDUCE CHILDHOOD OBESITY"; and
- (3) Making technical, nonsubstantive changes for 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. 24, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 24, H.D. 1.

Signed by all members of the Committee except Representatives Nishimoto and Finnegan.

SCRep. 1026 Health on H.C.R. No. 21

The purpose of this concurrent resolution is to request the Department of Education (DOE) and the Department of Health (DOH) to:

- (1) Coordinate their efforts to establish a surveillance system for tracking childhood obesity data; and
- (2) Implement best practices programs for prevention and treatment interventions that reduce childhood obesity.

The Kapiolani Medical Center for Women & Children and the Hawaii Medical Service Association supported this concurrent resolution. DOH opposed this concurrent resolution.

Your Committee finds that data on childhood obesity would provide objective information for decision makers and help educators to better understand how to prevent and treat obesity in children and youth.

Act 51, Session Laws of Hawaii 2004, is an initiating force behind this concurrent resolution, as the combined effect of Act 51 and the "No Child Left Behind" Act appear to have reduced the amount of school time now allocated to physical education.

In order to be effective, the planning and development of the surveillance system will require the coordinated efforts of both DOH and DOE.

Your Committee has amended this concurrent resolution by:

- (1) Changing the emphasis of the concurrent resolution to request that the surveillance system be "planned and developed," rather than "established";
- (2) Changing its title to read:

"REQUESTING THE DEPARTMENT OF EDUCATION AND THE DEPARTMENT OF HEALTH TO COORDINATE EFFORTS TO PLAN AND DEVELOP A SURVEILLANCE SYSTEM FOR TRACKING CHILDHOOD OBESITY DATA AND IMPLEMENTING "BEST PRACTICES" PREVENTION AND TREATMENT INTERVENTION PROGRAMS TO REDUCE CHILDHOOD OBESITY"; and

- (3) Making technical, nonsubstantive changes for 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. 21, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 21, H.D. 1.

Signed by all members of the Committee except Representatives Nishimoto and Finnegan.

SCRep. 1027 Health on H.C.R. No. 24

The purpose of this concurrent resolution is to request that the Department of Health (DOH) propose and develop a comprehensive statewide strategic plan to address prevention and treatment of childhood obesity and promote healthy lifestyles in Hawaii.

DOH, the Hawaii Medical Service Association, Pediatric Obesity Task Force of Kapiolani Medical Center for Women and Children, American Cancer Society, and American Academy of Pediatrics supported this concurrent resolution. The Department of Education and Kaiser Permanente supported the intent of this measure.

Your Committee finds that there is a direct relationship between obesity and adverse medical conditions, and that healthy lifestyles help to prevent the incidence of childhood obesity. There are a diverse group of programs and organizations already engaged in various aspects of this effort, and there is a need to coordinate these elements through development of a strategic plan.

There is a need for sensitivity in the development of the strategic plan, to assure integration of the plan with statewide efforts such as those supported through the Tobacco Prevention and Control Fund, and to avoid conflict with other legislative directives.

Accordingly, your committee has amended this concurrent resolution by:

- (1) Including:
- (a) Hawaii Primary Care Association;
 - (b) Coalition for a Tobacco Free Hawaii; and
 - (c) Coalition for a Drug Free Hawaii,
- to assist in the development of the strategic plan; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As Affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 24, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 24, H.D. 1.

Signed by all members of the Committee except Representatives Nishimoto and Finnegan.

SCRep. 1028 Health on S.B. No. 756

The purpose of this bill is to establish an expedited certification process for foreign health maintenance organizations (HMOs).

The Department of Commerce and Consumer Affairs (DCCA) supported this bill. The Hawaii Medical Service Association provided comments.

DCCA reported that Hawaii's prepaid health insurance market is currently served by a small number of mutual benefit societies, HMOs, and health insurers, resulting in few choices for Hawaii's employers. Fast-tracking the certification of foreign HMOs is seen by DCCA as a way to lure competition to Hawaii.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive changes for 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. 756, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 756, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

SCRep. 1029 Water, Land, & Ocean Resources on S.B. No. 819

The purpose of this bill is to improve the administration of the Hawaii Historic Preservation Special Fund (Special Fund) by:

- (1) Requiring penalties, fines, and other charges collected under the Historic Preservation law to be deposited into the Special Fund; and
- (2) Allowing the Department of Land and Natural Resources (DLNR), subject to legislative authorization, to expend moneys from the Special Fund for permanent and temporary staff positions and to cover administrative and operational costs of the Historic Preservation program.

DLNR supported this bill.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 819, 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 Carroll and Morita.

SCRep. 1030 Water, Land, & Ocean Resources on S.B. No. 1474

The purpose of this bill is to improve the management of the Mauna Kea Science Reserve (Reserve) by requiring the Auditor to conduct a study:

- (1) On existing approval and decision-making procedures for the Reserve; and
- (2) To determine the feasibility and necessity of creating a new management authority for the Reserve.

Sierra Club, Hawaii Chapter, supported this bill. The University of Hawaii, Department of Land and Natural Resources, and Hawaii Island Chamber of Commerce offered comments.

Your Committee recognizes the importance of evaluating the current management of the Reserve and of exploring the idea of a new management authority to oversee the Reserve. However, your Committee notes that the Auditor has already performed an audit of the management of the Reserve and notes that some of the Auditor's recommendations have already been put into effect. The studies contained in this measure may be more appropriately conducted by the Legislative Reference Bureau.

In light of this, your Committee has amended this bill by replacing the Auditor with the Legislative Reference Bureau (LRB) as the agency responsible for conducting the studies. In addition, your Committee has amended this bill by:

- (1) Deleting the provision in the purpose section that requires any new proposed management authority for the Reserve to protect the Reserve's natural, cultural, and historic resources while addressing the concerns of local groups with a strong interest in Mauna Kea;
- (2) Clarifying that LRB consider in its study whether the existing approval and decision-making procedures for the Reserve sufficiently address the concerns of all parties with a strong interest in Mauna Kea;
- (3) Clarifying that LRB consider in its study whether a new project approval process is necessary or desirable to address the concerns of all parties with a strong interest in Mauna Kea;
- (4) Clarifying that LRB conduct a study to determine the feasibility, necessity, and desirability of creating a new management authority for the Reserve;
- (5) Including in the study an assessment of the appropriateness of the conservation district use application process as it relates to the Reserve; and
- (6) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1474, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1474, S.D. 1, H.D. 1, and be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representatives Carroll and Morita.

SCRep. 1031 Economic Development & Business Concerns on S.B. No. 1843

The purpose of this bill is to promote fairness in the long-term relationships between the government and contractors that provide construction design professional services by:

- (1) Prohibiting the State from requiring a construction design professional services contractor to indemnify the State for the State's negligence; and
- (2) Allowing the State to require the contractor to indemnify the State for the contractor's negligence.

Shigemura, Lau, Sakanishi, Higuchi and Associates, Inc., testified in support of this bill. Engineering Concepts, Inc., Clayton J. Wong & Associates, Inc., Masa Fujioka & Associates, Fukunaga & Associates, Inc., the Coalition of Hawaii Engineering & Architectural Professionals, and the American Council of Engineering Companies supported this measure with amendments.

Your Committee has amended this bill by:

- (1) Clarifying that the State is prohibited from requiring a contractor to indemnify the State for the acts or omissions of any parties for whom the contractor is not legally liable;
- (2) Clarifying that the State is allowed to require a contractor to indemnify the State only for the negligent acts, errors, or omissions, or intentional misconduct, of the contractor or parties for whom the contractor is legally liable; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1843, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1843, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Ching.

SCRep. 1032 Water, Land, & Ocean Resources on S.B. No. 951

The purpose of this bill is to establish criminal penalties for the intentional setting of fires within forest reserves, public hunting areas, wildlife and plant sanctuaries, and natural area reserves.

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

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 951, 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 Carroll and Waters.

SCRep. 1033 Water, Land, & Ocean Resources on S.B. No. 1586

The purpose of this bill is to conform the statutes relating to the Board of Water Supply of the County of Hawaii (Board) to current provisions of the Hawaii County Charter by:

- (1) Changing the method of appointing members to the Board, limitations on who may be appointed, and the method of removing members;
- (2) Allowing the vice-chairperson of the Board to execute contracts, documents of transfer, and vouchers for monetary disbursements;
- (3) Allowing the Board to appoint a manager of the Board without the advice and consent of the county council;
- (4) Allowing the Board to acquire property in its name; and
- (5) Repealing the requirement that the Board present annual reports to the county council.

The County of Hawaii, Department of Water Supply of the County of Hawaii, and County of Hawaii Office of the Corporation Counsel testified in support of this bill.

Your Committee has amended this bill by:

- (1) Deleting the provision that "one member shall be a resident of each council district," since it is redundant with an earlier provision in the bill; and
- (2) Making other technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1586, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1586, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Carroll and Morita.

SCRep. 1034 Economic Development & Business Concerns on S.B. No. 1903

The purpose of this bill is to help reduce the state's dependence on fossil fuels by promoting the use of seawater air conditioning (SWAC) systems. Specifically, this bill exempts any person who owns, controls, operates, or manages, any SWAC district cooling project from Public Utilities Commission (PUC) regulations provided that at least 50 percent of the energy required to operate the SWAC district cooling system is provided by a renewable energy resource.

The Department of Commerce and Consumer Affairs and Honolulu Seawater Air Conditioning LLC testified in support of this bill. The Chairman of the PUC commented on this measure.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1903, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Energy & Environmental Protection.

Signed by all members of the Committee except Representative Ching.

SCRep. 1035 Economic Development & Business Concerns on S.B. No. 1698

The purpose of this bill is to support Hawaii's growing technology sector by:

- (1) Providing a tax credit for contributions of money, goods, or in-kind services to establish or maintain technology laboratories in Hawaii's public schools;
- (2) Appropriating funds for the expansion of Project EAST to four additional schools on two unspecified islands; and
- (3) Appropriating dollar-for-dollar matching funds for the Economic Development Alliance of Hawaii to coordinate the marketing of Hawaii's technology companies and technological opportunities on the mainland.

Economic Development Alliance of Hawaii (Alliance) and Enterprise Honolulu testified in support of this bill. The Department of Business, Economic Development, and Tourism and the Department of Education supported the intent of this measure. The Department of Taxation testified in opposition to this bill. The Tax Foundation of Hawaii submitted comments.

Your Committee finds that the Alliance is a non-profit umbrella organization for the four county economic development boards. The Alliance estimates that the economic development boards miss as many as 100 mainland exhibitions and conferences where the Hawaii technology story could be presented. Local participation at these events is constrained by budget considerations and simply does not match the market emphasis and priorities committed to by technology sites presently established in areas such as the Raleigh-Durham triangle, San Antonio, and San Diego. This measure seeks to remedy this oversight by providing the necessary funds to allow the Alliance to coordinate the marketing of Hawaii's technology companies at mainland industry-wide exhibitions and conferences.

Your Committee further finds that providing training to develop a competent workforce is vital to the on-going success and growth of the local technology industry. This measure provides the resources to achieve this objective with the expansion of the Project EAST program and the tax credit for contributions to technology laboratories in Hawaii's public schools.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1698, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Education.

Signed by all members of the Committee except Representative Ching.

SCRep. 1036 Economic Development & Business Concerns on S.B. No. 1695

The purpose of this bill is to support emerging and expanding businesses in Hawaii by:

- (1) Authorizing the Hawaii Strategic Development Corporation (HSDC) to transfer tax credits and increasing the total amount of contingent tax credits that HSDC may transfer; and
- (2) Adding insurance premium taxes to the list of taxes for which tax credits may be issued,

to fulfill the purposes of Act 215, Session Laws of Hawaii (SLH) 2004, which established the State Private Investment Fund (SPIF) and extended and improved certain tax incentives developed for the high technology industry.

HSDC, the Hawaii Technology Trade Association, Hawaii Venture Capital Association, Hawaii Biotech, Inc., Economic Development Alliance of Hawaii, and a concerned individual testified in support of this bill. The Department of Business, Economic Development, and Tourism, Department of the Attorney General, and High Technology Development Corporation supported the intent of this measure. The Tax Foundation of Hawaii offered comments.

Your Committee finds that SPIF was established to address the critical shortage of venture capital in the state for local technology companies in their second and third stages of growth and expansion, when the need for financing is at its greatest. A study published by Enterprise Honolulu in 2003 reported that nearly 60 percent of Hawaii's small and high-growth businesses anticipated sales increases and projected venture capital demands exceeding \$200,000,000 for the period of 2003-2008. SPIF provides the means by which such financing can be obtained, and assists in creating a nurturing climate for Hawaii's growing high technology industry.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1695, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Ching.

SCRep. 1037 Economic Development & Business Concerns on S.B. No. 1696

The purpose of this bill is to encourage venture capital investments in privately-held Hawaii companies by allowing fiduciaries to invest up to two and one-half percent of their funds eligible for investment, but not more than ten percent of their capital, in Hawaii venture capital investments without being in contravention of any prudent person or prudent investor rule.

The Department of Business, Economic Development, and Tourism and a concerned individual testified in support of the bill. The Employees' Retirement System testified in opposition to this measure.

Your Committee finds that an obstacle to institutional venture capital investment in privately-held Hawaii companies is the prudent investor or prudent person rule. Your Committee further recognizes that this measure may provide multiple benefits to Hawaii by:

- (1) Encouraging investment in local start-up companies by institutional investors who have never invested in Hawaii ventures by providing safe harbor for fiduciaries; and
- (2) Providing potentially higher rates of return for fiduciaries, including Hawaii-based entities, on venture capital investments since higher risks are mitigated by the two and one-half percent limit on Hawaii venture capital investments.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1696, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Ching.

SCRep. 1038 Economic Development & Business Concerns on S.B. No. 719

The purpose of this bill is to improve government efficiency, coordination, and centralization by merging the Hawaii Capital Loan Program (Program) and the Hawaii Strategic Development Corporation (HSDC) into a single entity to be administered by HSDC. Specifically, this bill, among other things:

- (1) Statutorily establishes the Program within Chapter 211F, Hawaii Revised Statutes (HRS), relating to HSDC;
- (2) Establishes a Capital Loan Special Fund to receive repayment of loans and interest payments;
- (3) Ensures that loans are limited to small businesses;
- (4) Requires an annual report to the Legislature and the Governor on the progress of the Program; and
- (5) Repeals the Capital Loan Program established under Chapter 210, HRS, relating to the Capital Loan Program.

The Department of Business, Economic Development, & Tourism testified in support of this bill.

Your Committee finds that consolidating existing programs into a single financing program will facilitate the issuance and administration of loans to businesses that do not meet conventional lending criteria. The consolidation of existing programs will create a continuum of services and resources.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 719, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Ching.

SCRep. 1039 Economic Development & Business Concerns on S.B. No. 744

The purpose of this bill is to modernize and increase the effectiveness of the State's business registration laws by clarifying certain provisions to:

- (1) Establish personal liability and penalty provisions for general partners by making them liable for all debts and liabilities of the limited partnership;
- (2) Specify details of a statement that must be submitted with articles of merger;
- (3) Amend the definition of "individual" to limit it to a natural person;
- (4) Make conforming requirements relating to administrative cancellation and reinstatement; and
- (5) Make other technical amendments for clarity, conformity, and style.

The Business Registration Division of the Department of Commerce and Consumer Affairs testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 744, S.D. 2, and recommends that it pass Second Reading and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee except Representative Ching.

SCRep. 1040 Economic Development & Business Concerns on S.B. No. 1380

The purpose of this bill is to protect small businesses in Hawaii and help them achieve success by making them aware of their rights by setting forth specific "rights" that should be afforded to small business through the establishment of a Small Business Bill of Rights.

The Small Business Regulatory Review Board, National Federation of Independent Business-Hawaii, and Hawaii Association of Realtors testified in support of this bill. The Department of Business, Economic Development, and Tourism and Department of Commerce and Consumer Affairs supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Adding the right to a clear, stable, and predictable regulatory and record-keeping environment with easily accessible information and administrative rules in as clear and concise language as is practicable, including posting of all proposed administrative rule changes on the Internet website of the Office of the Lieutenant Governor;
- (2) Adding the right to timely notice of an agency's rulemaking proceedings when requested. The notice should be mailed to all persons who have made a written request for such a notice;
- (3) Deleting rights (20) and (21) which are merely general statements regarding treatment and expectations of small businesses which are components of the other "rights".
- (4) Deleting rights (2) and (3) which concern expectations of state agency actions and responses to small business input;
- (5) Providing a private cause of action allowing small business owners to enforce the Small Business Bill of Rights; and
- (6) Changing the effective date from July 1, 2050, to July 1, 2099.

Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1380, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1380, S.D. 2, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee except Representative Ching.

SCRep. 1041 Economic Development & Business Concerns on S.B. No. 933

The purpose of this bill is to promote fair treatment of workers on public works projects by:

- (1) Clarifying that the state law requiring payment of prevailing wages applies to all laborers, mechanics, required assistants, helpers, tenders, and apprentices on a public works project, and not only those on the job site; and
- (2) Making wage rate information more accessible to laborers and mechanics not working on the job site.

The Hawaii Government Employees Association testified in support of this bill. The Department of Labor and Industrial Relations, Department of Accounting and General Services, and Associated Builders and Contractors, Inc., Hawaii Chapter, opposed this measure.

Your Committee has amended this bill by:

- (1) Making the Act effective upon its approval; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns 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 referred to the Committee on Labor & Public Employment.

Signed by all members of the Committee except Representative Ching.

SCRep. 1042 Education on S.B. No. 639

The purpose of this bill is to improve operational efficiency within the Department of Education (DOE) by:

- (1) Transferring the administration of the teachers' housing program from the Housing and Community Development Corporation of Hawaii (HCDCH) to DOE; and
- (2) Establishing the Teachers' Housing Revolving Fund for the accounting and control of receipts and disbursements related to DOE's planning, construction, repair, maintenance, and operation of teachers' housing programs.

DOE, HCDCH, and the Hawaii State Teachers Association testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 639, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Housing.

Signed by all members of the Committee except Representatives Cabanilla, Chang and Ching.

SCRep. 1043 Education on S.B. No. 1814

The purpose of this bill is to authorize a county or the Department of Education (DOE) to assess and collect impact fees as fair share contributions of developers for the capital improvements of existing and new public school facilities that have been identified in a comprehensive plan or needs assessment study.

The Hawaii State Teachers Association testified in support of this bill. The Department of Planning and Permitting of the City and County of Honolulu supported the intent of this measure. DOE and the Land Use Research Foundation of Hawaii supported the intent of this bill with amendments.

Your Committee notes that concerns have been raised by several testifiers regarding various provisions of this bill and respectfully requests that your Committees on Economic Development & Business Concerns and Housing seriously consider the amendments proposed by these testifiers.

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. 1814, S.D. 2, and recommends that it pass Second Reading and be referred to the Committees on Economic Development & Business Concerns and Housing.

Signed by all members of the Committee except Representatives Cabanilla, Chang and Ching.

SCRep. 1044 Economic Development & Business Concerns/Labor & Public Employment on S.B. No. 717

The purpose of this bill is to grant civil service status to the employees of the Business Action Center (Center) of the Department of Business, Economic Development and Tourism (DBEDT) by subjecting the positions to civil service and public employment collective bargaining laws.

The Hawaii Government Employees Association testified in support of this bill. The Department of Commerce and Consumer Affairs (DCCA) opposed this measure. DBEDT and the Department of Human Resources Development (DHRD) offered comments.

Your Committees have amended this bill by replacing its substance with the substance of H.B. No. 608, and incorporating DHRD's recommendations relating to civil service positions. Specifically, this bill, as amended:

- (1) Repeals and replaces chapter 201D, Hawaii Revised Statutes, with a new chapter establishing the Business Action Center;
- (2) Transfers the Center from DBEDT to DCCA;
- (3) Replaces the exempt positions in the Center, except for the position of supervisor, with civil service positions within one year from the effective date of the bill;
- (4) Entitles a Center employee to compete for appointment to the civil service position that replaces the employee's exempt position;
- (5) Provides that if the employee is appointed to the civil service position:
 - (a) The employee's compensation shall be determined according to the applicable collective bargaining or executive order positions covering exempt employees who are appointed to replacement civil service positions; and
 - (b) There shall be no break in service and the appointment of the employee shall be consistent with initial probation appointments to civil service positions;
- (6) Clarifies that until the date that all of the Center's exempt positions are replaced by civil service positions, DCCA's director may employ non-civil service personnel as required to carry out the Center's functions; and
- (7) Takes effect on July 1, 2005.

As affirmed by the records of votes of the members of your Committees on Economic Development & Business Concerns and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 717, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 717, S.D. 1, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee except Representatives M. Oshiro, Ching, Fox and Meyer.

SCRep. 1045 Economic Development & Business Concerns/Labor & Public Employment on S.B. No. 1702

The purpose of this bill is to assist in attracting high technology development opportunities to the State by establishing the High Technology Innovation Corporation (HTIC), a nonprofit entity attached to the High Technology Development Corporation (HTDC).

HTDC and several concerned individuals testified in support of this measure. The Department of Business, Economic Development, & Tourism (DBEDT) provided comments.

Your Committees have amended this bill by:

- (1) Clarifying that HTIC shall be a public instrumentality of the State, rather than private;
- (2) Attaching HTIC to DBEDT instead of HTDC, for administrative purposes;
- (3) Preserving the employment rights of state officers and employees whose functions are transferred as a result of this measure; and
- (4) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Economic Development & Business Concerns and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1702, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1702, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives M. Oshiro, Ching, Fox and Meyer.

SCRep. 1046 Consumer Protection & Commerce on S.B. No. 769

The purpose of this bill is to allocate excess cable television fees to their highest and best use by:

- (1) Giving the Department of Commerce and Consumer Affairs (DCCA), the statutory authority to provide a rebate to cable television subscribers if the annual fee collected from subscribers exceeds the amount necessary to regulate cable television; and
- (2) Requiring DCCA to conduct an evaluation and study of the highest and best uses of the excess franchise fees.

Testimony in support of this measure was received from Olelo Community Television. DCCA requested an amendment.

Your Committee finds that cable television operators are required to pay an annual fee of one percent of their preceding year's income to cover the costs of administering cable television regulation in Hawaii, and that these fees sometimes exceed those costs.

Your Committee recognizes that granting rebates to subscribers is one way to disburse excess funds, but has questions about the cost of allocating those rebates, as well as whether excess fees could be used in ways that would provide a greater benefit to both cable subscribers and the community at large.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 769, 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 Caldwell, Kanoho, Morita, Saiki and Stonebraker.

SCRep. 1047 Consumer Protection & Commerce on S.B. No. 959

The purpose of this bill is to restore a fair portion of public, educational, and governmental (PEG) franchise fees to educational entities.

Testimony in support of this measure was received from Maui Community College, the Department of Education-Maui, and an interested citizen. Testimony in opposition to this measure was received from the Department of Commerce and Consumer Affairs, Akaku: Maui Community Television (Akaku), the Office of Hawaiian Affairs, and Olelo Community Television. The League of Women Voters of Hawaii commented.

Your Committee finds that in its franchising agreement with cable television operators, the State requires that a certain percentage of channel capacity and gross revenues be made available for community access. The State delegated oversight of these community access channels and distribution of funding to a PEG access organization in each of the four counties.

Your Committee is aware that in the county of Maui, funding for the educational component of community access is not in comparable proportion with the public and governmental components, having decreased from 29 to 9 percent of total funding. Your Committee has also heard testimony that during negotiations to establish Akaku, Maui's PEG access organization, it was agreed that Akaku would continue funding PEG stakeholders at approximately equal levels.

A present, the educational stakeholders, Maui Community College and the Department of Education-Maui, are attempting to reach a fair accord on this issue with Akaku. Your Committee recognizes the importance of local community control and encourages resolution of the dispute through these negotiations.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 959, 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 Caldwell, Kanoho, Morita, Saiki and Stonebraker.

SCRep. 1048 Consumer Protection & Commerce on S.B. No. 1345

The purpose of this bill is to encourage parties with condominium disputes that have not been resolved by mediation, to submit these disputes to the Condominium Dispute Resolution Pilot Program (CDRPP) for resolution in an administrative forum by:

- (1) Removing statutory restrictions and allowing any unsuccessfully mediated dispute to be submitted to the CDRPP; and
- (2) Establishing the CDRPP in the Alternative Dispute Resolution subpart of the recodified condominium law in Act 164, Session Laws of Hawaii (SLH) 2004, in a section which takes effect on July 1, 2006.

Testimony in support of this measure was received from the Department of Commerce and Consumer Affairs (DCCA), Hawaii Council of Associations of Apartment Owners, Hawaii Independent Condominium & Cooperative Owners, and an interested citizen. The Community Associations Institute Hawaii supported the intent of this bill.

Your Committee finds that Act 164 established the CDRPP in section 514A-121.5, Hawaii Revised Statutes, allowing certain unsuccessfully mediated disputes to be administratively resolved by DCCA. However, the issues that could be appealed for an administrative hearing may have been too limited, since not a single case has been appealed to DCCA's hearings officer. This bill attempts to address this problem by broadening the range of issues that may be appealed. Your Committee notes that the 30 hearing limit per fiscal year on CDRPP cases still stands.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1345, 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 Caldwell, Kanoho, Morita, Saiki and Stonebraker.

SCRep. 1049 Consumer Protection & Commerce on S.B. No. 1802

The purpose of this bill is to improve the captive insurance law by removing unnecessary regulation and providing greater clarity and direction. Specifically, this bill:

- (1) Reflects the law's broader application to legal entities by replacing references to "companies" with references to "entities" in the definitions and related sections of the captive insurance law;
- (2) Provides a cross reference to requirements for service of process upon the Insurance Commissioner (Commissioner) as an agent for a captive insurer;
- (3) Repeals the cumbersome and unnecessary prohibition against a risk retention captive stockholder's ownership of more than ten percent of outstanding stock; and
- (4) Gives the Commissioner the flexibility to conduct an examination of a captive insurance company once every five years, rather than once every three years, provided that the captive insurance entity has already undergone a triennial examination.

Testimony in support of this bill was received from DCCA and from an attorney who provides legal services for captive insurance companies. Bank of Hawaii supported the intent of this bill.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1802, 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 Caldwell, Kanoho, Morita, Saiki and Stonebraker.

SCRep. 1050 Housing on S.B. No. 117

The purpose of this bill is to promote the development of affordable housing by providing statutory authority for the Housing and Community Development Corporation of Hawaii (HCDCH) to modify and amend contracts and agreements previously executed by the Housing Finance and Development Corporation (HFDC).

Kaanapali Development Corp., testified in support of this bill. HCDCH supported the intent of this measure. UniDev, LLC, suggested amendments.

Your Committee notes that the intent of this measure is to promote development of affordable housing in the West Maui area. Kaanapali Development Corp., the developer of Puukoolii Village in West Maui, stated that its original intent was to commit 20 percent of the units to households earning up to 100 percent of the county median income. Your Committee expressed concerns that the measure is overly broad and that it should be more specific.

Accordingly, your Committee has amended this bill by:

- (1) Replacing the provisions that would have allowed HCDCH to modify and amend HFDC's contracts with provisions that:

- (a) Ensure affordable housing requirements for the undeveloped parcels in Puukoli Village be established by agreement among the developer, HCDCH, and the appropriate county agency;
 - (b) Ensure that the affordable housing requirement include housing that is available to households earning up to 100 percent of the county median income; and
 - (c) Specify the tax map key numbers to which these provisions apply;
- and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 117, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 117, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1051 Legislative Management on S.B. No. 625

The purpose of this bill is to require the Director of Commerce and Consumer Affairs to establish minimum requirements for public access to the meetings and meeting records of public, educational, and governmental (PEG) access organizations involved with cable television and to include these requirements in PEG access organization contracts.

The League of Women Voters testified in support of this bill. The Department of Commerce and Consumer Affairs (DCCA) and Olelo Community Television supported the intent of this bill. A concerned individual opposed this bill, and the Office of Information Practices (OIP) offered comments.

A PEG access organization was established in each county as a private, non-profit corporation under section 501(c)(3) of the Internal Revenue Code to oversee the development, operation, supervision, management, production, or broadcasting of programs for cable television channels. These independent entities include: Akaku: Maui Community Television, Inc., Hoike: Kauai Community Television, Inc., Na Leo O Hawaii, Inc., and Olelo Community Television.

OIP testified that because of the relationship between PEG access organizations and DCCA, these organizations should be considered "agencies" for the purpose of complying with the Uniform Information Practices Act (UIPA), and, therefore, the public should have access to the records of these organizations. However, the access organizations disagree and have not complied with the UIPA requirement. One access organization has gone to court to challenge this requirement. In moving this bill forward, your Committee does not intend to give the impression that PEG access organizations should be considered "state agencies" for any purpose, except as may be determined by law.

Finally, your Committee welcomes further clarification from Olelo Community Television as to how the provisions of this bill may not apply to all organizations that provide PEG access services.

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. 625, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

SCRep. 1052 Legislative Management on S.B. No. 1232

The purpose of this bill is to improve the quality of life for those in Maui County who are affected by HIV and AIDS by appropriating an unspecified sum from the Emergency and Budget Reserve Fund as a grant to the Maui AIDS Foundation.

A member of the Maui County Council and several concerned individuals, including employees of the Maui AIDS Foundation, testified in support of 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. 1232, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Health.

Signed by all members of the Committee.

SCRep. 1053 Energy & Environmental Protection on S.B. No. 1453

The purpose of this bill is to assess the public service company tax on private sewer companies and facilities.

Your Committee finds that, until recently, public utility companies, including private sewer companies were subject to the public service company tax under chapter 239, Hawaii Revised Statutes. A recent tax appeals court decision, however, found that the public service company tax does not apply to private sewer companies because the current definition of "gross income" (which is subject to the tax) under chapter 239, Hawaii Revised Statutes, does not include the gross income received by private sewer companies.

This bill corrects this statutory oversight by including private sewer companies under the definition of "gross income" under chapter 239, Hawaii Revised Statutes, to clarify that the gross income received by a private sewer company is subject to the public service company tax.

Your Committee finds that this bill levels the playing field for public utility companies by ensuring that all public utility companies are treated and taxed at the same rate under the public service company tax.

The Department of Taxation, four members of the Maui County Council, the County of Hawaii Finance Department, and the Hawaii State Association of Counties submitted testimony in support of this bill. The Tax Foundation of Hawaii also submitted comments.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1453, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

SCRep. 1054 Energy & Environmental Protection on S.B. No. 788

The purpose of this measure is to clarify the exemption from future liability and fee provisions of the voluntary response program to ensure proper investigation and clean up of contaminated property prior to selling or developing the property.

Committee members expressed significant concern that this legislation is proposing a major policy shift by changing the focus of voluntary response from clean up to mere containment of toxic substances and by amending the exemption from future liability provisions. Concern was also expressed regarding the need for adequate public notice of proposed voluntary response actions.

It should also be noted that, while the Department of Health is proposing that a policy shift to risk-based remediation of contaminated property would be both environmentally and economically preferable in many circumstances, environmental covenants to control environmental risks of residual contamination through land restrictions, mandated environmental monitoring, and engineering controls have not been clearly established.

Your Committee finds that the issue of exemption from future liability is within the purview of the Committee on Judiciary and should be further discussed.

Your Committee has amended the measure by:

- (1) Deleting language that would have allowed, for exemption from liability purposes, the containment of contaminants;
- (2) Retaining existing statutory language that, for exemption from liability purposes, focuses on the clean up of contaminants;
- (3) Deleting language that addresses a discretionary exemption from future liability for cancer causing substances occurring in nature; and
- (4) Making conforming technical amendments.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 788, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 788, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1055 Economic Development & Business Concerns/Water, Land, & Ocean Resources on S.B. No. 1592

The purpose of this bill is to establish the Hawaii 2050 Task Force to assist the Auditor in the creation of a state sustainability plan that would define and implement state goals, objectives, policies, and priorities through the year 2050.

Maui Land & Pineapple Company, Inc., testified in support of this measure. The Department of Business, Economic Development, and Tourism, Office of Planning, and Department of Land and Natural Resources supported the intent of this bill. Several concerned citizens provided comments.

Your Committees have amended this bill by:

- (1) Inserting provisions relating to the certification of affordable housing projects; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Economic Development & Business Concerns and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1592, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1592, S.D. 1, H.D. 1, and be referred to the Committee on Housing.

Signed by all members of the Committee except Representatives Evans, Morita and Thielen.

SCRep. 1056 Health on S.B. No. 763

The purpose of this bill is to provide an incentive for physicians to participate on external review panels by authorizing the payment of a fee to participating physicians.

The Department of Commerce and Consumer Affairs testified in support of this measure. The Hawaii Medical Service Association supported the intent of this bill.

Your Committee finds that physician members of an external review panel must take time away from their medical practices to participate in hearings that are time consuming, thereby creating a disincentive for physicians to participate on review panels.

Your Committee has amended this bill by leaving the amount of the fee blank to encourage 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. 763, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 763, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

SCRep. 1057 Health/Economic Development & Business Concerns on S.B. No. 736

The purpose of this bill is to allow the Department of Budget and Finance to assess a fee for the administration of special purpose revenue bonds (SPRBs) it issues.

The Department of Budget and Finance (DBF) testified in support of this measure.

Your Committees find that DBF is reimbursed by entities requesting SPRBs for the cost of processing the bond. This practice, however, has created difficulty as the actual cost is not known until after a bond is issued. Your Committees find that establishing a fixed fee for the issuance of SPRBs would eliminate the uncertainty and be of benefit to both requesters and DBF. The fee should apply to all entities, regardless of whether or not the SPRB is used.

As affirmed by the records of votes of the members of your Committees on Health and Economic Development & Business Concerns that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 736, S.D. 1, and recommend that it pass Second Reading and be referred to the Committees on Education and Higher Education.

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

SCRep. 1058 Energy & Environmental Protection on S.B. No. 1362

The purpose of this measure is to authorize the Department of Transportation to take custody and dispose of abandoned and derelict vehicles on any public highway, public property, or on private roads pending dedication to a county.

The Housing and Community Development Corporation of Hawaii and the Windward Ahupua`a Alliance testified in support of this bill. The Department of Transportation and the President of the West Loch Estates Homeowners Association submitted testimony in opposition.

Your Committee finds that, under current law, the counties are responsible for taking into custody and disposing of abandoned and derelict vehicles and have a comprehensive process in place, including the formal notification of disposition to a vehicle's registered owner. Language allowing the Department of Transportation to take custody of abandoned and derelict vehicles may lead to duplication of efforts and could be confusing to individuals wishing to report such vehicles or reclaim their vehicles.

Your Committee was further informed by the Housing and Community Development Corporation of Hawaii of its difficulties with abandoned cars on roads in master planned developments where the road dedication has not yet been approved by the county.

To address these concerns, your Committee has amended this measure by:

- (1) Inserting a purpose clause to clarify under what circumstances vehicles may be taken into custody and disposed of under this measure;
- (2) Deleting the Department of Transportation's right to take into custody and dispose of abandoned or derelict vehicles;
- (3) Allowing the counties to take into custody and dispose of any vehicles that have been abandoned on private land that is defined as a setback, shoulder, easement, or right of way that is adjacent to or part of a public highway;
- (4) Clarifying that the Housing and Community Development Corporation of Hawaii may take into custody and dispose of any vehicles that have been abandoned on any public housing property owned, managed, or administered by the Housing and Community Development Corporation of Hawaii;
- (5) Allowing the counties to take into custody and dispose of any vehicles that have been abandoned in a master planned community developed by the Housing and Community Development Corporation of Hawaii where dedication of its private roads are pending approval by the county;
- (6) Changing the effective date to facilitate further discussions; and

- (7) Making technical nonsubstantive changes for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1362, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1362, S.D. 1, H.D. 1, and be referred to the Committee on Transportation.

Signed by all members of the Committee.

SCRep. 1059 Energy & Environmental Protection/Water, Land, & Ocean Resources on S.B. No. 1554

The purpose of this measure is to establish the emergency environmental workforce program to assist the counties in their fight against invasive species.

The emergency environmental workforce was established to provide meaningful employment to residents of Hawaii who were negatively impacted by reduced work schedules or layoffs as a result of the September 11, 2001 tragedy. The workforce's proven effectiveness in the control of invasive species and containment of dengue fever should continue to be one of the many tools used to address Hawaii's on-going invasive species problems to help attain environmental as well as economic sustainability.

The workforce is urged to work together with members of the private structural pest control industry. The industry can share its experience in protecting structures from pests, including invasive species such as fire ants.

Your Committee has amended this measure by:

- (1) Deleting references to "emergency" throughout the bill;
- (2) Deleting, from the purpose section, reference to unemployment claims and fringe costs; and
- (3) Clarifying the intent that the Research Corporation of the University of Hawaii work in collaboration with the Hawaii Invasive Species Council.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1554, S.D. 1, as amended herein, and recommend 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 Higher Education.

Signed by all members of the Committee except Representative Meyer.

SCRep. 1060 Public Safety & Military Affairs on S.B. No. 620

The purpose of this bill is to improve the administration of the State Council for Interstate Adult Offender Supervision (Council) by, among other things:

- (1) Establishing the duties and responsibilities of the Council's compact administrator;
- (2) Limiting the terms of members of the Council to four years, with the exception of the Director of Public Safety or the Director's designee;
- (3) Prohibiting persons from being appointed to the Council for more than two consecutive terms; and
- (4) Clarifying that the Council shall have the authority to appoint a deputy compact administrator for parole from the Hawaii Paroling Authority and a deputy compact administrator for probation from the Judiciary to cast a vote on behalf of the State at meetings of the Interstate Commission for Adult Offender Supervision in which the compact administrator is absent.

The Judiciary and Hawaii Paroling Authority supported this bill.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 620, 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. 1061 Public Safety & Military Affairs on S.B. No. 128

The purpose of this bill is to transfer the administration of the State's program for the medicinal use of marijuana from the Department of Public Safety to the Department of Health and to improve the program's efficiency and ease of use.

Specifically, this bill amends the registration requirements of the medical use of marijuana law to require qualifying patients and primary caregivers to register with the Department of Health rather than the Department of Public Safety. The bill removes the requirement that physicians must register their patients but requires physicians to provide written certifications for qualifying patients attesting to the patient having a debilitating medical condition, but specifically prohibits physicians to include the qualifying patient's diagnosis. The bill requires the Department of Health to prepare registration forms and make them available online. The Department of Health, not the Department of Public Safety, is required to verify registration inquiries. All relevant appropriations, records, etc., are to be transferred from the Department of Public Safety to the Department of Health.

This bill further creates a standing committee in the Department of Health, composed of two physicians, two representatives of certified medical marijuana patients, and one person from the Department of Health, to consider and approve or reject petitions to add other medical conditions to those that qualify for the use of medical marijuana. After thirty days, if approved, the new medical condition would become effective immediately for the purposes of using medical marijuana.

In addition, this bill:

- (1) Adds a new definition of "registration" to specify the role of the Department of Health;
- (2) Amends the definitions of:
 - (A) "Adequate supply" by clarifying that an adequate supply consists of seven plants and three ounces of usable marijuana rather than three mature and four immature plants and one ounce of usable marijuana per each mature plant;
 - (B) "Debilitating medical condition" to clarify that other medical conditions may be added by action of the standing committee rather than by adoption of administrative rule; and
 - (C) "Written certification" to reflect that the certification process rests with the Department of Health and not the Department of Public Safety and to delete the one-year period of validity of the certification;
- (3) Requires the qualifying patient's physician to complete a medical examination and assessment of the patient's medical history and current medical condition in the course of a bona fide physician-patient relationship;
- (4) Prohibits the use of medical marijuana while using heavy equipment, stationary or otherwise;
- (5) Allows the use of medical marijuana in one's workplace if that place is one's residence; and
- (6) Increases the number of qualifying patients that a primary caregiver may care for from one to three.

Your Committee received testimony in support of this bill from the Drug Policy Forum, Drug Policy Action Group, Hawaii Independent Democrats, and five individuals. Testimony in opposition to this bill was received from the Department of Health, Department of Public Safety, Department of the Prosecuting Attorney of the City and County of Honolulu, the Office of Prosecuting Attorney of Kauai County, and the Honolulu Police Department.

Your Committee has amended this bill to:

- (1) Delete all language referring to the transfer of the medical marijuana program from the Department of Public Safety to the Department of Health to allow further discussion on this issue;
- (2) Remove the two representatives of patients certified to use marijuana from the standing committee in the Department of Health;
- (3) Delete the new definition of "registration";
- (4) Delete amendments to the existing definitions of "debilitating medical condition" and "written certification";
- (5) Amend the definition of "adequate supply" to consist of five, rather than seven, marijuana plants and three usable ounces;
- (6) Clarify that the primary caregiver, together with the patient, may possess no more than an adequate supply of marijuana;
- (7) Prohibit the use of medical marijuana in any correctional facility, detention center, or cell block or by any person under the custody of the Department of Public Safety, or by any person on probation or parole;
- (8) Remove the amendments to the registration requirements but:
 - (A) Adding a requirement for the physician to provide the qualifying patient and primary caregiver with written certification;
 - (B) Lengthening the period of time within which a qualifying patient must report changes in information to the Department of Public Safety from five to ten working days; and
 - (C) Adding the primary caregiver, in addition to the patient, as a person to whom a registration certificate is to be issued; and
- (9) Change the effective date to July 1, 2099 for the purpose of promoting further discussion.

Your Committee believes that this bill merits further and more detailed discussion and expresses the wish that your Committees on the Judiciary and Finance will provide the forum in which to do so.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 128, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 128, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1062 Agriculture on S.B. No. 1065

The purpose of this bill is to revitalize Hawaii's agricultural industry by appropriating funds for, among other things:

- (1) The continued development of high-value agricultural products;

- (2) A breeding program to provide new agricultural products;
- (3) An assessment of local and export markets;
- (4) The development of industry assessments; and
- (5) Disease prevention programs;

provided that the appropriation is added to the base budget of the University of Hawaii (UH).

The Department of Agriculture, the Board of Advisors of the UH College of Tropical Agriculture and Human Resources (UH-CTAHR), Hawaii Farm Bureau Federation, Maui County Farm Bureau, Big Island Farm Bureau, Hawaii Agriculture Research Center, Hawaii Crop Improvement Association, Pineapple Growers Association of Hawaii, Hawaiian Commercial & Sugar Company, Aloun Farms, and Big Island Candies, Inc., supported this bill. UH-CTAHR supported the intent of this measure. Two concerned individuals opposed this bill. A concerned individual offered comments.

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. 1065, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representatives Chang, Karamatsu and Tsuji.

SCRep. 1063 Agriculture on S.B. No. 671

The purpose of this bill is to improve and clarify the laws regulating certain agricultural products by:

- (1) Authorizing the Department of Agriculture (DOA), as part of its agricultural grades and certification activity, to make rules:
 - (A) Providing voluntary, fee-for-service weighing of agricultural commodities and certification of the weight; and
 - (B) Regulating the advertisement of fresh fruits, fresh vegetables, and coffee under the agricultural Grades and Standards Law;
- (2) Enabling the Certification Services Revolving Fund (Revolving Fund) to be used by DOA to support certification or audit services for all agricultural products regulated under the Grades and Standards Law, including chicken eggs, beef, pork, and poultry; and
- (3) Specifying that moneys derived from the certification or audit services for beef, pork, and poultry provided by temporary inspectors under the Revolving Fund be deposited into the Revolving Fund.

DOA submitted testimony in support of this measure.

Your Committee has amended this measure by:

- (1) Expanding the rulemaking authority of DOA by allowing DOA to make rules regulating the advertisement of agricultural commodities; and
- (2) Making other technical, nonsubstantive amendments for style, clarity, and consistency.

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. 671, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 671, S.D. 1, H.D. 1, and be referred to the Committee on Labor & Public Employment.

Signed by all members of the Committee except Representatives Chang, Karamatsu, Tsuji and Wakai.

SCRep. 1064 Water, Land, & Ocean Resources on S.B. No. 1451

The purpose of this bill is to improve water quality at Lake Wilson by appropriating funds out of the Environmental Response Revolving Fund (ERRF) for the two-phased constructed wetlands designs for the Lake Wilson pilot demonstration project (Project) by the University of Hawaii's Center for Conservation Research and Training (Center). Specifically, this bill requires the Center:

- (1) In phase 1 to prepare a comprehensive watershed management plan to develop the best strategies to manage water quality problems in Lake Wilson; and
- (2) In phase 2, to identify and secure federal and other funding to coordinate implementation of the Project.

The Center supported the intent of this bill. The Department of Health opposed this measure.

Upon careful consideration, your Committee has amended this measure by deleting its contents and inserting the substance of H.B. No. 1278, H.D. 2, with amendments. As amended, this bill:

- (1) Replaces ERRF funding with general funds; and

- (2) Changes the effective date to July 1, 2005.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1451, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1451, S.D. 2, H.D. 1, and be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representatives Carroll and Morita.

SCRep. 1065 Water, Land, & Ocean Resources/Housing on S.B. No. 1793

The purpose of this bill is to encourage homeownership by establishing a temporary income tax exemption of 100 percent of the income derived by a fee simple owner from the sale of a leased fee interest in a multi-family residential leasehold property or residential leasehold house lot to the lessee of the multi-family residential leasehold property or residential leasehold house lot.

Several concerned individuals supported this bill. The Hawaii Council of Associations of Apartment Owners, Hawaii Association of REALTORS, and Hawaii Independent Condominium & Cooperative Owners supported this bill with amendments. The Department of Taxation opposed this bill. The Tax Foundation of Hawaii offered comments.

Your Committees have amended this measure by:

- (1) Repealing, on July 1, 2006, the statutory authorization allowing mandatory residential leasehold condemnation that permits lessees to purchase the fee simple interest in their homes. This repeal date provides an opportunity for lessees to exercise their condemnation options for a full year;
- (2) Clarifying that 100 percent of the capital gain realized by a fee simple owner from the sale of a leased fee interest is exempt from income taxation;
- (3) Making the income tax exemption apply to the sale of leased fee interest in a multi-family residential leasehold property to:
 - (A) The association of apartment owners of the multi-family residential leasehold building; or
 - (B) The residential cooperative corporation for the multi-family residential leasehold building;
- (4) Clarifying that the term "fee simple owner" includes "legal and equitable owners" and that the terms "fee simple owner" and "legal and equitable owners" shall have the same meaning as in section 516-1, Hawaii Revised Statutes;
- (5) Clarifying that the terms "multi-family residential leasehold property" and "multi-family residential leasehold unit" include property or units within a planned unit development; and
- (6) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1793, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1793, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Arakaki, Carroll, Green, Hale and Pine (Representative Thielen voted no.)

SCRep. 1066 Energy & Environmental Protection on S.B. No. 1557

The purpose of this measure is to require the rate established by the Public Utilities Commission for electricity purchases by a public utility be not less than 100% of avoided cost.

The measure also: increases renewable portfolio standards percentage requirements for electric utilities; requires advance planning by electric utilities to meet these requirements; amends the definition of "renewable energy"; and revises renewable portfolio standards study requirements.

Your Committee has amended this bill by:

- (1) Deleting the contents of the measure and inserting a provision that repeals the sunset date of the renewable energy technologies tax credit; and
- (2) Inserting a purpose clause with legislative findings.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1557, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1557, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

SCRep. 1067 Transportation on S.B. No. 1002

The purpose of this bill is to protect Hawaii's marine environment from pollution associated with discharge from cruise ships by, among other things:

- (1) Regulating the discharge of sewage, graywater, other wastewater, and air emissions from commercial passenger vessels;
- (2) Requiring operators of commercial passenger vessels to maintain records of discharges; and
- (3) Requiring operators of commercial passenger vessels to report any prohibited discharges.

Earthjustice submitted testimony supporting the intent of the this bill. The Office of Hawaiian Affairs, Conservation Council for Hawaii, and Sierra Club - Hawaii Chapter testified in support of this bill with amendments. The Department of Health (DOH), Norwegian Cruise Lines, NCL America, and North West Cruiseship Association testified in opposition to this measure. A concerned individual submitted comments.

Hawaii has a unique marine environment and ecosystem known throughout the world. Our coastal waters not only serve as a food source for Hawaii's people, but they also play a vital role in the economy of the State, drawing thousands of visitors to these islands each year. Maintaining the viability of our marine ecosystem through the regulation of the numerous activities along our shoreline, such as the cruise ship industry, is an important endeavor that will not only affect today's citizens, but future generations as well.

Your Committee understands that the regulation of discharge into marine waters of this State is complex and involves numerous federal regulations. Your Committee also understands concerns raised by all interested parties. However, your Committee notes that a concurrent resolution to help address some of these concerns is currently being considered by the legislature and that the protection of Hawaii's fragile environment is paramount and a subject that is worthy of further discussion.

Accordingly, your Committee has amended this measure by deleting its contents and replacing it with language from H.B. No. 422, HD2. As amended, this bill, among other things:

- (1) Regulates discharges from commercial passenger vessels, specifically discharges of sewage, other wastewater, and air emissions;
- (2) Eliminates the regulation of graywater discharge;
- (3) Requires owners or operators of commercial passenger vessels to:
 - (A) Maintain records of discharges of sewage and other wastewater into the marine waters of the state, and of the opacity of air emissions;
 - (B) Provide reports detailing discharges and air emissions to DOH upon request; and
 - (C) Submit to DOH copies of any reports of hazardous waste or hazardous substances, sewage, or opacity of air emissions required by the federal government;
- (4) Permits DOH to engage in efforts to encourage and recognize superior environmental protection efforts made by owners or operators of commercial passenger vessels;
- (5) Subjects violations of the requirements in this bill to fines established by DOH;
- (6) Provides exemptions that include discharges to secure safety or save a life, and for commercial passenger vessels that operate in the marine waters of the state solely in innocent passage;
- (7) Provides DOH flexibility in establishing alternative terms and conditions for vessel discharges applicable to an owner or operator of a vessel who cannot practicably comply with established regulations;
- (8) Clarifies that the state is permitted to enter into voluntary agreements (Memorandums of Understanding) with any owners or operators of commercial passenger vessels to control pollution outside the State's marine waters;
- (9) Clarifies that the state is permitted to adopt pollution controls that are more stringent than those controls established in this bill; and
- (10) Places the air emissions regulations under the more appropriate chapter 342B, Hawaii Revised Statutes, which regulates Air Pollution Control.

Technical, nonsubstantive amendments were also made for 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. 1002, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1002, S.D. 2, H.D. 1, and be referred to the Committees on Energy & Environmental Protection and Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representatives Ito, Shimabukuro and Moses.
(Representative Fox voted no.)

SCRep. 1068 Higher Education on S.B. No. 904

The purpose of this bill is to authorize the University of Hawaii (UH) to manage any real property owned, leased, or otherwise under its control, and to adopt rules to control or regulate public activity on this property.

UH and the Department of Land and Natural Resources testified in support of this bill. The Japanese Chamber of Commerce and Industry of Hawaii, Hawaii Island Chamber of Commerce, and a concerned individual supported this measure with amendments. The Office of Hawaiian Affairs, Mauna Kea Anaina Hou, Royal Order of Kamehameha I, KAHEA, and numerous concerned individuals opposed this bill.

Your Committee notes that serious concerns have been raised by several members of the Committee and numerous testifiers regarding the implications of this bill. Your Committee has expressed a strong interest in studying these issues more in-depth.

Accordingly, your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 904, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 904, S.D. 1, H.D. 1, and be referred to the Committees on Water, Land, & Ocean Resources and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Arakaki and Cabanilla.

SCRep. 1069 Higher Education on S.B. No. 1256

The purpose of this bill is to improve the governance of the University of Hawaii (UH) by proposing a constitutional amendment modifying the appointment process for the UH Board of Regents.

Several concerned individuals testified in support of this bill. The Hawaii Government Employees Association, HGEA/AFSCME, Local 152, AFL-CIO, supported the intent of this measure. The University of Hawaii offered comments.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1256 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 and Cabanilla.

SCRep. 1070 Higher Education on S.B. No. 1257

The purpose of this bill is to improve the governance of the University of Hawaii (UH) by modifying the appointment process of the UH Board of Regents (BOR). Specifically, this bill:

- (1) Establishes the Candidate Advisory Council (Council) to assist the Governor in determining criteria for, screening, and proposing a pool of qualified candidates for BOR membership;
- (2) Removes the restriction that no more than six BOR members can be members of the same political party;
- (3) Extends the term of each BOR member from four years to ten years; and
- (4) Clarifies that every BOR member may serve beyond the expiration date of the member's term until the member's successor has been confirmed by the Senate, according to the Hawaii Constitution, Article X, Section 6, rather than until the successor has been appointed and has qualified.

A concerned individual testified in support of this bill. The Hawaii Government Employees Association (HGEA) supported the intent of this measure. UH offered comments.

Your Committee has amended this bill by:

- (1) Deleting the provision that a BOR member may vacate the member's seat by incapacity, defined as a condition or state that prevents the member from attending two consecutive regular meetings of BOR;
- (2) Changing the membership of the Council as follows:
 - (a) Removing the members appointed by the UH Faculty Senate, systemwide student association, Hawaii Business Roundtable, Hawaii Medical Association, and HGEA bargaining unit 8; and
 - (b) Adding members appointed by UH's All Campus Council of Faculty Senate Chairpersons, UH's System Student Caucus, UH's Native Hawaiian Council or Pu Ko'a, and HGEA;
- (3) Changing the membership of BOR as follows:
 - (a) Decreasing the number of members from 12 to 11; and
 - (b) Requiring a certain number of members to represent specific geographic areas;

- (4) Changing the appointment process of the BOR as follows:
- (a) Changing the term of each BOR member from a ten-year term to two consecutive five-year terms;
 - (b) Requiring that at least three months prior to the conclusion of a BOR member's first five-year term, the Senate consider whether to reconfirm the member's position on the board; and
 - (c) Clarifying that every BOR member may serve beyond the expiration date of the member's term until the member's successor has been appointed, has qualified, and has been confirmed by the Senate;
- and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1257, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1257, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Arakaki and Cabanilla.

SCRep. 1071 Human Services on S.B. No. 1772

The purpose of this bill is to require the Department of Human Services (DHS) to submit an annual report to the Legislature on private sector employers with more than 25 employees who receive medical care or benefits from public assistance programs.

The Hawaii State AFL-CIO and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2099, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1772, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1772, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 1072 Health on S.B. No. 1236

The purpose of this bill is to discourage smoking by:

- (1) Incrementally increasing over three years, the 7 cents tax on every cigarette sold, starting July 1, 2006, from 9 cents, to 11 cents, and then to 13 cents; and
- (2) Allocating the revenues derived from the increase, 25 percent to the state general fund, 25 percent to Department of Health, health promotion and disease prevention programs, and 50 percent to the Hawaii Tobacco Prevention and Control Trust Fund (Trust Fund).

The American Cancer Society, American Lung Association, American Heart Association, and Coalition for a Tobacco Free Hawaii testified in support of this measure. The Department of Taxation opposed this bill. The Tax Foundation of Hawaii provided comments.

Your Committee finds that increasing the cost of cigarettes is the most effective deterrent to smoking, and believes that raising the price of cigarettes will decrease the number of teens and adolescents who start smoking and provide adult smokers with a greater incentive to quit.

Your Committee has amended this measure so that all amounts realized as a result of the increase would be paid to the Trust Fund, with the exception that of the initial tax revenues there would be a one-time allotment of:

- (1) \$6,500,000 to the John A. Burns School of Medicine, for research on disease prevention; and
- (2) \$2,000,000 to the Department of Human Services for health insurance coverage for uninsured children through the Children's Health Insurance Program.

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. 1236, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1236, S.D. 2, H.D. 1, and be referred to the Committee on Economic Development & Business Concerns.

Signed by all members of the Committee.

SCRep. 1073 Health on S.B. No. 122

The purpose of this bill is to define and add "case review forum" to the proceedings protected from discovery in civil actions to allow participants to freely exchange information without fear of reprisal which may hamper improvements to the medical peer review system.

The Consumer Lawyers of Hawaii supported this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive changes for 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. 122, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 122, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

SCRep. 1074 Health on S.B. No. 1209

The purpose of this bill is to increase access to prescription drugs for all of Hawaii residents by establishing a pharmaceutical management council to consider strategies to manage the rising cost of prescription drugs.

The Hawaii Government Employees Association supported this bill. The Department to Human Services and Pharmaceutical Research and Manufacturers of America opposed this bill. The Hawaii Medical Service Association provided comments.

Your Committee finds that many people in underserved areas of the state are under a great deal of stress in dealing with the problem of getting the prescription drugs they need due to high prices and lack of convenient pharmaceutical outlets. Federally Qualified Health Centers (FQHC) in underserved areas are established medical facilities that could help to alleviate this problem with their ability to procure prescription drugs at lower prices as well as their location nearer to those in need.

Accordingly, your Committee has amended this bill by adding a new part to appropriate funds for FQHC that would:

- (1) Subsidize the cost of prescription drugs purchased through the federal drug pricing or 340B program;
- (2) Subsidize services to procure free prescription drugs for low-income patients; and
- (3) Support the Medicine Bank in collecting and distributing prescription drug samples.

Additionally this bill has been amended by:

- (1) Changing the effective date to July 1, 2005;
- (2) Inserting a sunset date of June 30, 2008, for the pharmaceutical cost management council; and
- (3) Making technical, nonsubstantive changes for 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. 1209, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1209, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 1075 Health on S.B. No. 682

The purpose of this bill is to require all vendors of cigarettes to acquire a permit from the Department of Taxation (DOTAX) to enable the State to keep track of who is selling tobacco product vendors, and enhance enforcement of tobacco regulation laws.

DOTAX, the Department of the Attorney General (AG), Department of Health, American Heart Association, American Lung Association, and Coalition for a Tobacco Free Hawaii supported this bill. Legislative Information Services of Hawaii opposed this bill. The Tax Foundation of Hawaii provided comments.

DOTAX reported that the \$39 fee required to obtain a permit will generate approximately \$85,732 for the general fund that will be used to administer this new program. The AG reported that this program will be a large step in enforcing the laws regulating the sale of tobacco products because the department will know who is actually selling cigarettes.

Your Committee voices its concern in the area of penalties and notes that there is no language currently in this measure that could allow for corrective action without causing extreme harm to a person and their livelihood. A person new to the retail business or

a "Mom-and-Pop" store that may not have an up-to-date permit or was unaware of this law, could potentially be sent to prison for up to five years for a mistake rather than an intentional abuse of the law. Therefore, your Committee encourages further study of and discussion on this bill to ensure enforcement that would incorporate corrective action befitting the degree of the offense.

Your Committee has amended this bill by changing the effective date to July 1, 2020, to encourage 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. 682, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 682, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1076 Health on S.B. No. 1201

The purpose of this measure is to appropriate funds to further develop the State's comprehensive approach to the ongoing problem of substance abuse and dependency, in general, and the "ice" epidemic in particular.

Specifically, this bill appropriates funds:

- (1) For substance abuse programs, including, ice prevention, treatment, education, and rehabilitation;
- (2) To expand canine interdiction efforts;
- (3) To clean and dispose of toxic waste materials found at the site of clandestine methamphetamine laboratories;
- (4) To create grant-in-aid opportunities for the counties to fund community efforts to sustain anti-drug campaigns and community-based substance abuse prevention programs;
- (5) For community-based adolescent drug prevention programs and community anti-drug efforts aimed at preventing ice use on the island of Hawaii;
- (6) To support the department of public safety's drug abatement efforts;
- (7) For the expansion of the Weed and Seed program; and
- (8) For the Being Empowered and Safe Together program on Maui.

The Department of Public Safety submitted testimony in support of some aspects of the measure. The Department of Health submitted comments.

Your Committee finds that, to wage an effective battle against substance abuse and dependence in Hawaii, the State must continue to develop, fund, and integrate a wide range of programs into a comprehensive strategy. This bill adds a much-needed rehabilitative component to the current war on drugs.

Your Committee has amended this measure by:

- (1) Establishing the Drug Busters Program within the Department of the Attorney General to combat the manufacture, distribution, and sale of crystal methamphetamine;
- (2) Requiring the Attorney General to prepare an annual report to the Legislature on the operation of the Drug Busters program and its results;
- (3) Requiring the Attorney General and the Director of Public Safety to take all steps necessary to obtain federal funding for the drug busters program;
- (4) Appropriating funds for the nuisance abatement unit in the Department of the Attorney General, including the cost of employing attorneys, auditors, investigators, and other personnel as necessary;
- (5) Appropriating funds for student substance abuse referral for the purpose of assessments by certified substance abuse treatment counselors;
- (6) Appropriating funds for the expansion of drug court programs, including juvenile and family drug courts;
- (7) Appropriating funds for the treatment of first-time nonviolent drug offenders sentenced by the courts;
- (8) Appropriating funds for an environmental study on the effects of clandestine methamphetamine laboratories;
- (9) Changing the amount of funds appropriated to unspecified amounts; and
- (10) Making technical nonsubstantive changes for consistency, 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. 1201, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1201, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1077 Health/Human Services on S.B. No. 1620

The purpose of this bill is to appropriate funds for various health and human services.

The Judiciary's Children's Justice Center, Hawaii Youth Services Network, Hepatitis Prevention, Education, Treatment, and Support Network of Hawaii, The Sex Abuse Treatment Center, The Queen's Medical Center, Catholic Charities Hawaii, Waianae Coast Comprehensive Health Center, Hawaii Primary Care Association, Waikiki Community Center, Save the FoodBasket, Inc., People Living With HIV/AIDS in Hawaii, West Oahu Hope For a Cure Foundation, and several concerned individuals supported this bill. The Department of Budget and Finance, Department of Human Services' Office of Youth Services, Department of Human Services (DHS), and Hawaii Pacific Health provided comments.

Your Committees note that a concern was expressed that the Residential Alternative Community Care Program is funded through Medicaid, and therefore, funds should not be expended through the purchases of health and human services procedures as provided under chapter 103, Hawaii Revised Statutes.

Accordingly, your Committees have amended this bill by removing the reference to chapter 103F, Hawaii Revised Statutes, in the section appropriating funds to the Residential Alternative Community Care Program.

Additionally, this bill has been amended by:

- (1) Appropriating funds for school-based health services projects as a collaborative project of the Department of Health, DHS, and the Department of Education;
- (2) Appropriating funds for sexual assault direct treatment services;
- (3) Appropriating funds for Coalition for a Drug Free Hawaii for the Strengthening Hawaii Families Program to prevent substance abuse;
- (4) Appropriating funds for 24-hour, seven days a week, rapid response emergency medical services unit for the Mililani and Mililani Mauka areas on Oahu;
- (5) Appropriating funds to provide for a third shift of ambulance services at the Makakilo ambulance unit;
- (6) Appropriating funds for a study required for a permanent emergency medical services hub for the Mililani and Waipio Gentry areas on Oahu;
- (7) Appropriating funds for dental services at federally qualified health centers;
- (8) Appropriating funds for staff and support at the West Hawaii Community Health Center;
- (9) Appropriating funds for hiring and maintaining a hospitalist inpatient staff at the Kona Community Hospital; and
- (10) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1620, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1620, S.D. 2, H.D. 1, and be referred to the Committee on Labor & Public Employment.

Signed by all members of the Committee except Representative Stonebraker.

SCRep. 1078 Health/Human Services on S.B. No. 1773

The purpose of this bill is to finalize the title of those with degrees in social worker by:

- (1) Requiring a social worker/human services professional with a social work degree to be called a social worker and all others to be called human services professionals;
- (2) Requiring the Department of Human Resources and Human Development (DHRD) to develop a plan for separating the social worker/human services professional class into two separate classes;
- (3) Requiring new state social workers and all federal and county social workers to be licensed beginning July 1, 2007;
- (4) Prohibiting DHRD from eliminating the social worker class; and
- (5) Exempting employees of the Hawaii paroling authority from these provisions.

The National Association of Social Workers and several concerned individuals supported this bill. The Hawaii Government Employees Association supported this measure with amendments. The Department of Public Safety, Department of Health, DHRD, and Department of Human Services opposed this bill. The Judiciary provided comments.

Your Committees have amended this bill by eliminating the mandate that DHRD establish equal numbers of social worker and human services positions.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1773, S.D. 2, as amended herein, and recommend

that it pass Second Reading in the form attached hereto as S.B. No. 1773, S.D. 2, H.D. 1, and be referred to the Committee on Labor & Public Employment.

Signed by all members of the Committee except Representative Stonebraker.

SCRep. 1079 Health/Human Services on S.B. No. 791

The purpose of this bill is to:

- (1) Allow the Department of Health (DOH) to license special treatment facilities and therapeutic living programs in residential settings;
- (2) Provide that clean and sober homes are a permitted or conditional use in residential zones; and
- (3) Repeal drug rehabilitation homes as a permitted residential use.

The Office of the Lieutenant Governor, DOH, Honolulu Police Department, and a concerned individual supported this bill.

DOH reported that there is a need to provide therapeutic and rehabilitative services in residential settings and ensure that housing is available for people recovering from substance abuse.

Your Committees have amended this bill by:

- (1) Requiring counties to first hold a public informational meeting before allowing halfway houses or clean and sober houses to be established in a neighborhood;
- (2) Eliminating the grandfather clause that allowed drug rehabilitation homes established prior to the effective date of this Act to be exempt from the amendments of this bill;
- (3) Changing the definition of "drug rehabilitation home" to one suggested by DOH;
- (4) Excluding halfway houses and clean and sober homes from falling under the definition of drug rehabilitation home;
- (5) Amending section 46-4(f), Hawaii Revised Statutes, to include the definitions of "clean and sober homes" and "drug rehabilitation home";
- (6) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (7) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 791, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 791, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Stonebraker.

SCRep. 1080 Health/Human Services on S.B. No. 1420

The purpose of this bill is to:

- (1) Remove restrictions placed on licensed medical physicians when prescribing the drug they decide is best suited to treat the patient's diagnosed condition; and
- (2) Prohibit the Department of Human Services (DHS) from restricting payment for access to psychotropic medications that are not on a pre-authorized list.

The Hawaii Disability Rights Center, National Alliance for the Mentally Ill – Oahu, Mental Health Association in Hawaii, and several concerned individuals supported this bill. The Department of Health and DHS opposed this bill.

Your Committees find that mandating drugs from a pre-approved list may be a hindrance to licensed medical physicians when treating their patients.

Your Committees have amended this bill by:

- (1) Establishing a task force to assist DHS and review the removal of restrictions on licensed medical physicians to prescribe psychotropic drugs to their patients;
- (2) Changing the effective date to July 1, 2006; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1420, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1420, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 1081 Human Services/Health on S.B. No. 1512

The purpose of this bill is to take steps to reduce domestic violence by authorizing the Director of Health to establish domestic violence fatality review teams to conduct multidisciplinary and multiagency reviews of domestic violence fatalities.

The Judiciary, Department of the Attorney General, Department of Health, County of Hawaii Office of the Prosecuting Attorney, County of Kauai Office of the Prosecuting Attorney, Honolulu Police Department, Hawaii State Coalition Against Domestic Violence, and a concerned individual testified in support of this bill. The Office of Information Practices provided comments.

Your Committees note that this measure was previously amended to expand the definition of "victim" to include both adults and children. However, provisions for a child death review currently exist in statute.

Accordingly, your Committees have amended this bill by:

- (1) Amending the definition of "victim" to include only adults; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1512, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1512, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 1082 Human Services/Health on S.B. No. 244

The purpose of this bill is to establish a Long-term Care Resource Program Initiative at Kapiolani Community College (KCC) to accommodate a broader range of home- and community-based long-term care.

KCC, the Policy Advisory Board for Elder Affairs, National Multiple Sclerosis Society, Kokua Council, Faith Action for Community Equity, and several concerned individuals testified in support of this measure. The Department of Health recommended this bill be deferred.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 244, S.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Higher Education.

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

SCRep. 1083 Agriculture on S.B. No. 781

The purpose of this bill is to improve enforcement of the law relating to infectious diseases by clarifying that the Department of Health (DOH) may require law enforcement personnel to aid and assist in the quarantine of individuals who are infected or suspected of being infected with diseases dangerous to the public health.

The Department of Health, Department of Public Safety, and Honolulu Police Department supported this bill.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 781 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Chang, Karamatsu, Tsuji and Wakai.

SCRep. 1084 Agriculture on S.B. No. 669

The purpose of this bill is to improve the efficiency of, and provide a source of funding for, the Animal Quarantine Program (Program) by:

- (1) Authorizing the Board of Agriculture (Board) to contract with third parties for the use or rental of animal quarantine property or facilities that are not required for use by the Program;
- (2) Requiring revenues generated by the use or rental of animal quarantine property or facilities be used to defray the costs of the Program and to minimize animal quarantine fees; and
- (3) Establishing that moneys received for the use or rental of animal quarantine property or facilities be deposited into the Animal Quarantine Special Fund.

The Department of Agriculture, Hawaiian Humane Society, and The Chamber of Commerce of Hawaii supported this bill.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2005; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

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. 669, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 669, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Karamatsu, Tsuji and Wakai.

SCRep. 1085 Labor & Public Employment on S.B. No. 1889

The purpose of this bill is to improve, promote, approve, and ensure that qualified apprenticeship training programs exist in Hawaii by:

- (1) Requiring rather than allowing the Director of the Department of Labor and Industrial Relations (DLIR) to establish an apprenticeship council to promote and approve apprenticeship programs consistent with the standards for agreements;
- (2) Making the apprenticeship council regulatory rather than advisory; and
- (3) Amending the standards for agreements of apprenticeship programs to include assurances that:
 - (A) Qualified training personnel, adequate supervision on the job, and the requisite number of specialty licenses relevant to the trade or craft are available for the apprenticeship program; and
 - (B) In the instance of parallel programs, that a continuing need exists in the trade or group of trades and that these programs are "equal to or better than" an existing program.

This bill also provides that these changes will only become effective if approval is received from the federal Office of Apprenticeship Training, Employer, and Labor Services (OATELS).

The International Brotherhood of Painters and Allied Trades, AFL-CIO, Local Union 1944, International Union of Painters and Allied Trades, District Council 50, AFL-CIO, and Glaziers Local Union 1889 testified in support of this bill. The Associated Builders and Contractors Inc. testified in opposition to this measure. DLIR commented on this measure, opposing the bill in part.

Your Committee finds that apprenticeship programs are important to many industries, particularly the construction and trade industries, and that assuring that minimum qualifications are met before these types of programs are approved will strengthen these industries. Mandating the establishment of a state apprenticeship council that is regulatory rather than purely advisory in nature helps achieve this objective.

However, your Committee does understand that approval of changes to state apprenticeship council policies or procedures regarding recognized state apprenticeship programs requires OATELS approval. Accordingly, your Committee has amended this measure by:

- (1) Requiring that written approval be obtained from OATELS before the amendments to the standards of agreement become effective;
- (2) Requiring that the establishment of the apprenticeship council by the director of DLIR only take place after written approval is received from OATELS;
- (3) Clarifying that if written approval from OATELS is not received by the director of DLIR, statutory language will be reenacted in the form in which it read on the day before the approval of this Act; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1889, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1889, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 1086 Education on S.B. No. 1660

The purpose of this bill is to decrease the backlog of repair, maintenance, and construction of educational facilities by transferring responsibility for the repair, maintenance, and construction of educational facilities to the Department of Education (DOE).

Specifically, this bill:

- (1) Establishes the Education Design and Construction Project Assessment Fund (Assessment Fund) to defray the costs of repair, maintenance, and construction of these facilities;
- (2) Moves the authority to expend funds from the State Educational Facilities Improvement Special Fund from the Department of Accounting and General Services (DAGS) to DOE;

- (3) Moves the state educational facilities repair and maintenance account from Program ID 100 (School Based Budgeting) to Program ID 400 (School Support), to simplify the administration of funds relating to repair and maintenance;
- (4) Makes DOE responsible for school repair and maintenance and capital improvement programs; and
- (5) Makes DOE responsible for the six-year program and financial plan for school repair and maintenance, and for prioritization of repair and maintenance, instead of DAGS.

DOE and the Hawaii State Teachers Association testified in support of this bill. The Department of Budget and Finance opposed this measure.

Your Committee has amended this bill by:

- (1) Clarifying that the Superintendent of Education is to assess construction projects based on the Superintendent's evaluation of the costs of services, instead of a logarithmic curve developed by DOE, for capital improvements, repairs, and maintenance, and repairs and alterations projects;
- (2) Amending Act 164, Session Laws of Hawaii 2004, to reflect the amendment to make DOE responsible for the six-year program and financial plan for school repair and maintenance, instead of DAGS;
- (3) Appropriating funds to the Assessment Fund;
- (4) Changing the effective date to July 1, 2010; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1660, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1660, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Chang and Ching.

SCRep. 1087 Water, Land, & Ocean Resources on S.B. No. 1457

The purpose of this bill is to preserve a cluster of historical sites in North Kohala on the island of Hawaii by requiring the Department of Land and Natural Resources (DLNR) to renew its efforts to acquire, by exchange, the land adjacent to the Kohala Historical Sites State Monument.

The Mookini Luakini, Inc., and Kamehameha Schools supported this bill. The Board of Land and Natural Resources provided comments.

Your Committee finds that there are some promising developments in the acquisition of the 250 acres of adjacent lands to preserve the historic sites. Accordingly, your Committee has amended this bill by:

- (1) Acknowledging Kamehameha Schools in its efforts to acquire 162 acres around the historic site; and
- (2) Requiring DLNR to consult with Kamehameha Schools and Mookini Laukini, Inc., regarding the adequacy of the 162 acres and to ascertain the necessity of acquiring the remaining 88 acres, for an adequate buffer area around and access to the historic sites.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1457, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1457, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll and Morita.

SCRep. 1088 International Affairs on S.B. No. 1709

The purpose of this bill is to establish an Office of International Affairs to, among other things, develop policies that promote and strengthen relations with other countries in the areas of international business, economy, and culture and the arts.

The Department of Business, Economic Development, and Tourism provided comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2006; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

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. 1709, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1709, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki and Sonson.

SCRep. 1089 Consumer Protection & Commerce on S.B. No. 119

The purpose of this bill is to keep architects updated on best practices in their profession by requiring continuing education as a condition for renewal of an architect's license, with exceptions for active duty members of the armed services deployed during a national crisis, and those who are ill, disabled, or can demonstrate undue hardship.

Testimony in support of this measure was received from the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects and American Institute of Architects.

Your Committee finds that the practice of architecture is constantly evolving. New consumer protection issues include indoor air quality, building security, energy efficiency, access for persons with disabilities, resistance to natural forces, and environmental protection. Continued acquisition of knowledge and awareness about changes in the profession of architecture will ensure that future construction in Hawaii meets high standards of health and public safety.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 119, 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 Caldwell, Kanoho, Morita, Saiki and Stonebraker.

SCRep. 1090 Health/Human Services on H.C.R. No. 40

The purpose of this concurrent resolution is to request that the Hawaii State Council on Developmental Disabilities (HSCDD) allow the Residential Settings Task Force (Task Force) to continue to convene and identify issues and solutions regarding individuals who are developmentally disabled (DD) and their choice of residential setting.

The HSCDD, Department of Health, the Judiciary, Disability and Communication Access Board, Hawaii Disability Rights Center, The Arc in Hawaii, and the Arc of Kauai supported this bill.

HSCDD testified that due to the time constraints, the Task Force did not finish its study within the prescribed time period. As a result, the HSCDD is being requested to continue the Task Force to enable it to complete its work.

Your Committees find that investigating the needs of Hawaii's developmentally disabled is an important step in finding viable solutions.

Your Committees have amended this concurrent resolution by making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 40, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 40, H.D. 1.

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

SCRep. 1091 Consumer Protection & Commerce/Judiciary on S.B. No. 743

The purpose of this bill is to repeal Hawaii's current uniform securities law and adopt the 2002 Uniform Securities Act (USA) in its place.

Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Commission to Promote Uniform Legislation, AARP Hawaii, and Hawaii Bankers Association. The Investment Company Institute supported this bill in part. Testimony in opposition was received from the Securities Industry Association and American Council of Life Insurers. The National Association of Insurance and Financial Advisors opposed the bill in part. The Office of Information Practices provided comments.

Your Committees find that the 2002 USA will enhance the ability of state securities regulators to protect consumers engaged in security transactions. This measure will provide the State with more comprehensive regulatory oversight and will update and modernize Hawaii's securities law so that it better conforms to that of the federal government and other states.

Your Committees note that concerns were raised regarding the measure's inclusion in the definition of "security," of variable annuity contracts, which are hybrid investments offered by insurance companies that contain both securities and insurance features. Concerns were expressed that the inclusion was not consistent with the USA of 2002, and that oversight by both the Hawaii Insurance Division and the Hawaii Securities Division may be redundant, unnecessary, and discourage competition.

However, the Commissioner of Securities testified that including variable annuity contracts in the definition of securities in the 2002 USA, carries over Hawaii's current securities law, which also defines these products as securities.

Your Committees believe it is necessary to further examine the bill in light of these concerns, and have accordingly amended this measure by providing an effective date of July 1, 2099.

Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 743, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 743, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Saiki, Schatz, Sonson and Stonebraker.

SCRep. 1092 Tourism & Culture on S.B. No. 971

The purpose of this bill is to improve the regulation of time shares by, among other things:

- (1) Clarifying that required written disclosures for prospective time share purchasers who are offered a prize or gift as part of a time share advertising or promotion plan need only contain terms and conditions attached to the prize or gift that are material;
- (2) Deleting exchange privileges and limitations from the list of items required in the written disclosures;
- (3) Clarifying that the prohibition on receiving money or property from a purchaser or prospective purchaser prior to signing a time share purchase contract does not apply to money paid for a tourist activity or for any other product or service offered to induce attendance at a time share sales presentation;
- (4) Amending existing signage requirements for time share booths by requiring signs to:
 - (A) Contain the words "time share" or "time sharing" in letters that are at least three, rather than three and one half, inches tall and in a color that contrasts with the background; and
 - (B) Be posted in only one location on or in the booth;
- (5) Prohibiting the posting of anything near the required time share sign that would indicate that a time share booth is not being used for time share solicitation purposes;
- (6) Exempting from the required signage requirements, time share booths located within a timeshare project subject to a time share plan; and
- (7) Establishing that the violation of failure to disclose that a product or activity involves time share does not apply to a sign or banner.

The Department of Commerce and Consumer Affairs, PAHIO Resorts, Inc., and the American Resort Development Association -Hawaii Chapter supported this bill.

As affirmed by the record of votes of the members of your Committee on Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 971, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Tsuji.

SCRep. 1093 Tourism & Culture/Economic Development & Business Concerns/International Affairs on S.B. No. 1374

The purpose of this bill is to improve Hawaii's relationship with China and diversify Hawaii's economy by requiring the Director of Business, Economic Development, and Tourism (Director) to form a temporary, informal, ad hoc China/Hawaii Economic Strategic Plan Working Group (Working Group) to develop the China/Hawaii Economic Strategic Plan 2020 (Strategic Plan) and appropriating funds for the development of the Strategic Plan.

The Chinese Chamber of Commerce of Hawaii, University of Hawaii, and the East-West Center supported this bill. The Department of Business, Economic Development, and Tourism supported the intent of this measure.

Your Committees have amended this measure by:

- (1) Inserting an appropriation of \$100,000 for the development of the Strategic Plan;
- (2) Revising reporting requirements by requiring the Director to submit:
 - (A) A written preliminary report to the Legislature by December 15, 2005, for the Legislature's consideration during the Regular Session of 2006; and
 - (B) A written final report to the Legislature by July 31, 2007, for the Legislature's consideration during the Regular Session of 2008;
- (3) Changing the repeal date of this bill to July 31, 2008; and
- (4) Making technical nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Tourism & Culture, Economic Development & Business Concerns, and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1374, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1374, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Tsuji, Marumoto and Thielen.

SCRep. 1094 Economic Development & Business Concerns on S.B. No. 121

The purpose of this bill is to allow brewpubs to sell malt beverages for off-premises consumption in recyclable containers and directly to class two restaurant licensees.

Fish and Game Brewing Co., Aloha Brewers Guild, and many concerned individuals testified in support of this bill.

Your Committee finds that this measure clarifies amendments that were made to the brewpub licensing law in Act 200, Session Laws of Hawaii 2004.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 121 and recommends that it pass Second Reading and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee except Representative Magaoy.

SCRep. 1095 Economic Development & Business Concerns on S.B. No. 711

The purpose of this bill is to update and clarify the requirements of the Small Business Regulatory Flexibility Act by, among other things:

- (1) Defining "rule";
- (2) Requiring rules to be submitted to the Small Business Regulatory Review Board (Board) before they are submitted to the Governor for approval for public hearing;
- (3) Specifying that the duties of the Board include reviewing proposals for new or amended rules;
- (4) Clarifying that the term of the chairperson of the Board is one year and that members may serve more than one term as a chairperson;
- (5) Specifying that the Board's report to the Legislature shall contain a summary of comments made by the Board to agencies regarding its review of proposed new or amended rules; and
- (6) Changing the periodic review period of agencies with rules affecting small business to every five years.

The Department of Business, Economic Development, and Tourism, National Federation of Independent Business – Hawaii, and Hawaii Agriculture Research Center testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 711, 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.

SCRep. 1096 Economic Development & Business Concerns on S.B. No. 840

The purpose of this bill is to clarify the state withholding tax provisions for employers with an annual withholding tax liability that exceeds \$40,000.

The Department of Taxation testified in support of this bill. The Tax Foundation of Hawaii provided comments.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 840, 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. 1097 Economic Development & Business Concerns/International Affairs on S.B. No. 1792

The purpose of this bill is to attract foreign technology companies to conduct business in Hawaii by appropriating funds to establish an International Business and Technology Incubator Program (Program) in Hawaii.

The High Technology Development Corporation (HTDC) testified in support of this bill.

Your Committees find that HTDC is well equipped to assist foreign countries seeking to open a branch in Hawaii to understand legal, financial, and human resource practices in the United States. HTDC stated that the Program would become self-sufficient from the fees charged to client companies for the services provided and the funding provided by the State will be used for start-up costs.

As affirmed by the records of votes of the members of your Committees on Economic Development & Business Concerns and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1792, 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 Cabanilla, Karamatsu, Ching and Marumoto.

SCRep. 1098 Tourism & Culture/Economic Development & Business Concerns on S.B. No. 1186

The purpose of this measure is to adjust the four per cent hotel construction and remodeling tax credit to eight per cent on January 1, 2008 and to repeal the tax credit on January 1, 2011.

Your Committee finds that since its inception in 2001, the hotel construction and remodeling tax credit has produced a substantial increase in hotel construction and renovation activity. Waikiki hotels estimate construction and renovation investments have exceeded \$400,000,000 over the past five years. The tax credit has resulted in more jobs, higher earnings by hotels, and an increase in tax revenues for the State.

Your Committee, therefore, concurs with the basic intent of this measure, but has amended the bill as follows:

- (1) Increasing the tax credit to eight per cent after the effective date of this Act, lowering it back to four per cent on July 1, 2009, and repealing the tax credit on July 1, 2012;
- (2) Adding the recapture provision suggested by the Department of Taxation for qualified full service hotel facilities that convert to a time share or condominium project;
- (3) Removing references to time share or condominium projects, which were never intended to benefit from the tax credit; and
- (4) Changing the effective date of the bill from July 1, 2050 to "upon approval".

As affirmed by the records of votes of the members of your Committees on Tourism & Culture and Economic Development & Business Concerns that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1186, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1186, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all the members of the Committee except Representative Herkes.

SCRep. 1099 Public Safety & Military Affairs on S.B. No. 960

The purpose of this bill is to protect the health, safety, and welfare of the residents of and visitors to Hawaii by increasing statewide tsunami preparedness efforts. Specifically, this bill appropriates funds for tsunami preparedness efforts, including:

- (1) Installing and maintaining new tsunami siren warning systems;
- (2) Updating evacuation maps in phone books;
- (3) Constructing additional emergency shelter space and retrofitting existing public buildings that could serve as emergency shelters;
- (4) Providing a 24-four-hour alert staff for the state Civil Defense Division; and
- (5) Expanding public education campaigns emphasizing the need for tsunami preparedness.

The state Department of Defense supported the intent of this bill. The Senator from the 25th District submitted comments.

Hawaii has suffered the worst tsunami disasters experienced by the United States. Given this history and the fact that Hawaii is vulnerable to tsunamis, it is important to remain vigilant to protect residents and visitors from this type of natural disaster. Since tsunami threats have the potential to cause great devastation to Hawaii, it is important to ensure that the State is adequately prepared to deal with such a disaster.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 960 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all the members of the Committee

SCRep. 1100 Public Safety & Military Affairs on S.B. No. 982

The purpose of this bill is to increase the number of emergency public shelters by appropriating \$2,000,000 from the Hawaii Hurricane Relief Fund (HHRF) in each fiscal year of the 2005-2007 fiscal biennium to retrofit public buildings with the installation of hurricane protective measures.

The Department of Defense and Structural Engineers Association of Hawaii supported the intent of this bill. A concerned individual supported this measure with amendments. The HHRF Board and Hawaii Association of Realtors opposed this bill. The Department of Budget and Finance provided comments.

Your Committee finds that this measure will help to address the state's shortfall of emergency shelters by funding the retrofitting of public buildings. However, your Committee expresses concern that some new buildings do not meet hurricane standards.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 982, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 1101 Energy & Environmental Protection on S.B. No. 1117

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist Hawaiian Electric Company, Inc., Maui Electric Company, Limited, and Hawaii Electric Light Company, Inc. with the financing of capital improvement projects.

The Division of Consumer Advocacy, Department of Commerce and Consumer Affairs, and Hawaiian Electric Company, Inc., Maui Electric Company, Limited, and Hawaii Electric Light Company, Inc. testified in support of this bill.

Your committee has amended this bill by:

- (1) Making a technical nonsubstantive change for clarity and style; and
- (2) 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 Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1117, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1117, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1102 Tourism & Culture on S.B. No. 1729

The purpose of this bill is to improve the management of the Hawaii Tourism Authority (HTA) and to increase funding for tourism-related programs by:

- (1) Adding the Executive Director of the Hawaii State Foundation on Culture and the Arts (HSFCA), as an ex officio nonvoting member, to the Board of Directors of HTA (Board);
- (2) Authorizing HTA to develop and implement through its Executive Director a personnel system to provide for the appointment of officers, agents, and employees, subject to the approval of the Board, prescribing their duties and qualifications, and fixing their salaries; provided that:
 - (A) The Governor and executive agencies shall limit their oversight of HTA's hiring of personnel to those times when HTA receives general funds from the State; and
 - (B) There is no anticipated revenue shortfall in the Tourism Special Fund (TSF) and that funds have been appropriated by the Legislature and allotted as provided by law;
- (3) Authorizing HTA to encourage collaboration between the visitor industry, law enforcement, community organizations, and businesses to develop and implement programs to improve visitor safety and security;
- (4) Placing the TSF and Convention Center Enterprise Special Fund (CCESF) outside the state treasury;
- (5) Allowing funds in the TSF and CCESF to be placed in interest-bearing accounts or otherwise invested by HTA until needed, subject to certain limitations;
- (6) Authorizing HTA to establish a special account in the TSF for deposits of non-tax revenues received from public or public contracts;
- (7) Increasing the allocation of transient accommodations tax (TAT) collections to the TSF to 35.4 percent and requiring that 0.5 percent of this allocation be used to provide funding for an Aloha Aina Patrol established in each county and a visitor assistance program established in each county;
- (8) Changing the limit on funds deposited in the CCESF to an unspecified amount;
- (9) Repealing the TAT Trust Fund;
- (10) Distributing one percent of TAT collections as follows:
 - (A) Ninety percent to be deposited into the State Parks Special Fund; and
 - (B) Ten percent to be deposited into the Special Land and Development Fund for the Hawaii Statewide Trail and Access Program;

to be expended by the Department of Land and Natural Resources (DLNR) as designated by a plan approved by HTA; and

- (11) Depositing 1.5 percent of TAT collections into the general fund.

HSFCA, Hawaii Hotel & Lodging Association, Waikiki Improvement Association, and Outrigger Hotels & Resort supported this bill. HTA supported this bill and suggested amendments. DLNR supported the intent of this measure. The Department of Budget and Finance opposed this bill. The Department of Business, Economic Development, and Tourism, Department of Taxation, and the Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Deleting the personnel system from the provision that authorizes HTA to appoint officers, agents, and employees through its Executive Director;
- (2) Deleting the provision that allows HTA to encourage collaboration between the visitor industry, law enforcement, community organizations, and businesses to develop and implement programs to improve visitor safety and security;
- (3) Deleting the provision authorizing HTA to establish a special account in the TSF for deposits of non-tax revenues received from public or private contracts;
- (4) Inserting a limit of \$35,000,000 for deposits of TAT collections in the CCEF;
- (5) Inserting a severability clause;
- (6) Changing the effective date of this bill to July 1, 2005; and
- (7) Making technical, nonsubstantive amendments for style, clarity, and consistency.

Your Committee notes that the Attorney General issued a statement expressing a concern that the provision that limits the Governor's oversight of HTA's hiring of personnel to those times when HTA receives general funds from the State conflicts with the State Constitution. Your Committee requests that this issue be addressed by subsequent Committees as this bill moves along the legislative process.

As affirmed by the record of votes of the members of your Committee on Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1729, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1729, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Herkes.

SCRep. 1103 Labor & Public Employment on S.B. No. 738

The purpose of this bill is to allow the Board of Trustees of the Employees' Retirement System (ERS), under certain circumstances, to compromise or settle claims or potential claims for benefits by ERS members who detrimentally rely on erroneous information provided by ERS. A compromise or settlement would only be allowed with the approval of the Attorney General (AG) and under the following circumstances:

- (1) The claim arises from a written representation made to a member concerning the member's eligibility for ERS benefits;
- (2) The representation was made by an authorized ERS employee and was erroneous as to the amount or class of credited service to which the member was entitled;
- (3) The member retired or terminated employment or membership in ERS in good faith and reasonable reliance on the representation; and
- (4) The settlement or compromise would prevent manifest injustice.

The Board of Trustees of ERS, AG, and Hawaii State Teachers Association testified in support of this bill.

ERS may occasionally provide erroneous information to an ERS member relating to retirement or termination of government service. Based on that information, the member may wrongly believe that the member is entitled to benefits for which the member is ineligible. If such an error is discovered only after the member has taken action based on the erroneous information, correction of the error may result in significant adverse consequences to the member.

Your Committee finds that these problems can be addressed by allowing ERS, under limited circumstances, to settle or compromise such claims with the approval of the AG, thereby avoiding the costs of achieving resolution through litigation.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 738, 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 M. Oshiro.

SCRep. 1104 International Affairs on H.R. No. 53

The purpose of this resolution is to support the people of Kiribati in their efforts to address war reparations for the damage and suffering inflicted upon them during World War II.

The Association of Pacific Island Legislatures supported this measure.

Your Committee finds that the Republic of Kiribati, formerly known as the Gilbert Islands, was unfortunately caught between two powerful nations, the United States and Japan, that were waging a fearsome war. Your Committee recognizes that the people of Kiribati were not aggressors or agitators in the conflict, which killed many Kiribati and destroyed many of their homes. The gruesome battle of Tarawa is illustrative of the losses suffered by the Kiribati people that have not been addressed.

Your Committee notes that the Association of Pacific Island Legislatures passed a similar resolution in December 2004.

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. 53 and recommends its adoption.

Signed by all members of the Committee except Representative Thielen.

SCRep. 1105 International Affairs on H.C.R. No. 62

The purpose of this concurrent resolution is to support the people of Kiribati in their efforts to address war reparations for the damage and suffering inflicted upon them during World War II.

The Association of Pacific Island Legislatures supported this measure.

Your Committee finds that the Republic of Kiribati, formerly known as the Gilbert Islands, was unfortunately caught between two powerful nations, the United States and Japan, that were waging a fearsome war. Your Committee recognizes that the people of Kiribati were not aggressors or agitators in the conflict, which killed many Kiribati and destroyed many of their homes. The gruesome battle of Tarawa is illustrative of the losses suffered by the Kiribati people that have not been addressed.

Your Committee notes that the Association of Pacific Island Legislatures passed a similar resolution in December 2004.

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 and recommends its adoption.

Signed by all members of the Committee except Representative Thielen.

SCRep. 1106 Consumer Protection & Commerce/Judiciary on S.B. No. 73

The purpose of this bill is to increase the efficiency and effectiveness of motor carrier vehicle inspections by spreading out the annual inspections of motor carrier vehicles throughout the year.

Testimony in support of this measure was received from the Department of Transportation and the Hawaii Transportation Association.

Your Committees find that all motor carrier vehicles are now required to be inspected during the month of June. This necessitates that about 100,000 vehicles must be inspected in a relatively brief period, resulting in backlogs at inspection stations, and potentially overly-hasty inspections.

This bill proposes to spread those inspections and certifications throughout the year by requiring that motor carrier vehicles be inspected during the month in which the vehicle's certificate of vehicle registration is issued.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 73 and recommend that it pass Third Reading.

Signed by all members of the Committee except Representatives Saiki, Schatz, Sonson and Stonebraker.

SCRep. 1107 Legislative Management on S.B. No. 629

The purpose of this bill is to promote citizen involvement in state government by providing an additional means of public access to legislative proceedings. This bill appropriates funds to enable legislative proceedings to be broadcast in streaming media format over the Internet.

Olelo Community Television, The League of Women Voters of Hawaii, Hawaii Pro Democracy Network, and Employers' Chamber of Commerce testified in support of this bill.

Currently, only those with access to cable television are able to receive broadcasts of legislative proceedings. Streaming media or webcasting can expand the viewing audience by broadcasting video and audio signals of legislative proceedings over the Internet. This technology also allows recordings of live webcasts to be archived so that users can listen to or view a file at their convenience.

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. 629, 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. 1108 Health on S.B. No. 1232

The purpose of this bill is to fund essential public health, safety, and welfare programs provided by the Maui AIDS Foundation that improve the quality of life for those afflicted with HIV and AIDS.

The Maui AIDS Foundation and a member of the Maui County Council supported this bill. The Department of Health supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1232, S.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1109 Economic Development & Business Concerns/Water, Land, & Ocean Resources on S.B. No. 1877

The purpose of this bill is to:

- (1) Clarify that the Department of Business, Economic Development, and Tourism (DBEDT) has sole jurisdiction over certain land use and state planning functions;
- (2) Require the Office of Planning to report exclusively to DBEDT and no other principal executive department; and
- (3) Require the Director of the Office of Planning to be nominated by the Governor and appointed with the advice and consent of the Senate.

Hawaii's Thousand Friends testified in support of this bill. DBEDT and the Department of Land and Natural Resources opposed this measure. The Office of Planning did not support this measure.

Your Committees have amended this bill by:

- (1) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Economic Development & Business Concerns and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1877, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1877, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Evans, Morita and Thielen.
(Representatives Waters and Meyer voted no.)

SCRep. 1110 Consumer Protection & Commerce/Judiciary on S.B. No. 751

The purpose of this bill is to improve the State's insurance statutes through housekeeping amendments that make the law easier to understand, less burdensome, and more technically correct.

Testimony in support of this bill was received from the Department of Commerce and Consumer Affairs (DCCA).

Your Committees find that this bill is the product of DCCA's continuing efforts to modernize and streamline Hawaii's insurance laws, ease insurer filing requirements, and bring Hawaii's insurance laws into conformity with federal law and national standards.

Your Committees have amended this bill by changing the effective date to July 1, 2099, in the interest of encouraging further discussion of this matter.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 751, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 751, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1111 Energy & Environmental Protection on S.B. No. 1427

The purpose of this bill is to create savings in the procurement of state vehicles.

Specifically, this bill requires all state agencies to purchase an increasing percentage of new light duty vehicles that are hybrid or high energy efficient vehicles when increasing their vehicle fleets. By January 1, 2007, the required percentage is twenty per cent. By January 1, 2009, the percentage rises to forty per cent. For each year after January 1, 2009, each state agency must increase its purchases of alternative fuel vehicles by five per cent each year until the purchases reach sixty per cent of all newly purchased light duty vehicles.

Furthermore, "hybrid electric vehicles", "electric vehicles", and "fuel cell vehicles" are defined and qualify as alternative fuel vehicles.

Your Committee received testimony in support of this bill from the Sierra Club. Testimony in opposition was received from the Department of Transportation and the Department of Accounting and General Services.

Your Committee notes that the Department of Accounting and General Services has raised concerns about the additional costs that would be forced upon state agencies to procure highly efficient vehicles. Your Committee is aware that automobile

manufacturers produce many vehicles, such as flexible fuel ethanol vehicles, at no additional cost to consumers. Purchase of these types of vehicles would position the State to purchase ethanol fuel blends like E85 in anticipation of local production of ethanol to meet mandated blends of E10 starting in 2006. Biodiesel fuel produced locally may also be used in light duty diesel vehicles available commercially.

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

- (1) Adding a purpose section as section 1 of the bill;
- (2) Adding a provision allowing agencies to offset the purchase requirements for alternative fuel vehicles by successfully demonstrating percentage improvements in overall light duty vehicle fleet mileage economy. The offsets are to be measured against the fleet average mileage economy using calendar year 2004 as a baseline, on a percentage by percentage basis;
- (3) Deleting section 103D- (b) on p. 2, lines 5-6, which qualifies "hybrid electric vehicles", "electric vehicles", and "fuel cell vehicles" as alternative fuel vehicles and correspondingly subsuming their definitions into an overall definition of "alternative fuel vehicle" for purposes of consistency;
- (4) Adding a new definition of "agency" to mean a state agency, office, or department;
- (5) Redesignating the sections of the bill and the subsection of section 103D- consecutively; and
- (6) Making various technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1427, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1427, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll and Kanoho.

SCRep. 1112 Water, Land, & Ocean Resources on S.B. No. 1081

The purpose of this bill is to promote environmental education by appropriating funds to develop an education and job training center next to Pouhala Marsh for wetland research and education.

The Hawaii Nature Center testified in support of this bill. The Department of Land and Natural Resources supported the intent of this measure with budgetary concerns.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2005; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1081, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1081, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1113 Water, Land, & Ocean Resources on S.B. No. 1473

The purpose of this bill is to help ensure the safety and well-being of residents in the Waimano ridge area by prohibiting state or county agencies, commissions, and departments from permitting or authorizing any new or expanded use or contemplated development of existing leased lands or facilities on state-owned land in the Waimano ridge area without first providing at least 90 days notice of the new or expanded use or contemplated development. In addition, this bill, among other things:

- (1) Establishes a process for the Department of Health (DOH) to draft an updated master plan for future use of the state-owned land in the Waimano ridge area, and requires public input and approval during the process; and
- (2) Requires legislative approval, through the adoption of a concurrent resolution requesting approval of the master plan and any proposed legislation necessary to effectuate the master plan, to repeal the prohibition.

A concerned citizen supported this bill. DOH opposed this measure. The Office of Information Practices offered comments.

After careful and deliberate consideration, your Committee has amended this measure by deleting its contents and inserting the substance of H.B. No. 1141, H.D.2, that streamlines the process to update the master plan without legislative approval, but still provides for meaningful public input and the dissemination of essential information of DOH's activities on Waimano ridge to the surrounding communities. As amended, this bill:

- (1) Prohibits any state or county agency, commission, or department from granting, approving, or issuing any lease or permit that authorizes new or expanded use, or further development, of existing leased lands or facilities on state-owned land in the Waimano ridge area until a master plan is developed, communicated to area residents, and the public health, well-being, and safety is assured;

- (2) Establishes a process, requiring public input, for DOH to draft the master plan; and
- (3) Requires DOH to prepare and disseminate an annual report describing the activities on Waimano ridge, including certain details on the tests and programs being conducted there as well as details on public informational meetings conducted.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1473, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1473, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll and Morita.

SCRep. 1114 Higher Education on S.B. No. 667

The purpose of this bill is to help pay for losses incurred by the University of Hawaii (UH) as a result of the flood of October 30, 2004, by appropriating funds to clean, repair, or replace damaged or destroyed UH property and to reimburse UH for monies that have already been spent for this purpose.

The Department of Accounting and General Services (DAGS) and UH supported this bill with amendments.

Your Committee has amended this bill by:

- (1) Increasing the spending ceiling of the State Risk Management Revolving Fund (Revolving Fund) by \$25,000,000 to \$35,450,000;
- (2) Authorizing DAGS to transfer \$25,000,000 from the Revolving Fund for deposit into the general fund; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 667, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 667, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki and Cabanilla.

SCRep. 1115 Higher Education on S.B. No. 898

The purpose of this measure is to extend for one year the Department of Education's (DOE's) and University of Hawaii's (UH's) authority over matters relating to their acquisition of goods and services.

DOE and UH supported this bill but requested the authority be made permanent.

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. 898, 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 Arakaki and Cabanilla.

SCRep. 1116 Agriculture on S.B. No. 1588

The purpose of this bill is to strengthen the laws addressing agricultural theft by:

- (1) Establishing that possession of agricultural commodities or products without ownership and movement certificates is prima facie evidence that the commodities or products are or have been stolen;
- (2) Establishing that possession of livestock without ownership and movement certificates is prima facie evidence that the livestock is or has been stolen; and
- (3) Clarifying that a person commits the offense of theft in the second degree if the person commits theft of agricultural equipment, supplies, commodities, or products, the value of which exceeds \$100 but does not exceed \$20,000, or of agricultural commodities or products that exceed 25 pounds, from cultivated or uncultivated agricultural lands that are:
 - (A) Enclosed by a fence; or
 - (B) Posted with warning signs on prosecution for theft, displayed along all exterior boundaries and at all roads and trails entering the land.

The Department of Agriculture, Honolulu Police Department, Hawaii Farm Bureau Federation, Big Island Farm Bureau, Maui County Farm Bureau, Hawaii Association of REALTORS, Hawaii Aquaculture Association, Hawaii Agriculture Research Center, Maui Land & Pineapple Company, Inc., Maui Pineapple Company, Ltd., and the Hawaii Crop Improvement Association supported this bill. The Department of the Prosecuting Attorney of the City and County of Honolulu supported this bill and suggested amendments.

Your Committee has amended this measure by:

- (1) Establishing that a person commits theft in the second degree if the person commits theft of agricultural equipment, supplies, commodities, or products, the value of which exceeds \$100 but does not exceed \$20,000, or of agricultural commodities or products that exceed 25 pounds, from cultivated or uncultivated agricultural lands on which there is visible presence of a crop under cultivation, in the process of being harvested, or marketable if already harvested at the time of entry; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

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. 1588, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1588, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Chang, Karamatsu and Tsuji.

SCRep. 1117 Agriculture on S.B. No. 955

The purpose of this bill is to revitalize Hawaii's agricultural industry by appropriating funds for fiscal year 2005-2006 to the Hawaii Farm Bureau Federation (HFBBF) to conduct agricultural research and market development.

HFBBF, Maui County Farm Bureau, Big Island Farm Bureau, Hawaii Crop Improvement Association, Hawaii Aquaculture Association, Maui Land & Pineapple Company, Inc., Gay & Robinson, Inc., Meadow Gold Dairies, and two concerned citizens supported this bill. The Department of Agriculture, Hawaii Agriculture Research Center, Hawaiian Commercial Sugar Company, and Kauai Coffee Company supported the intent of this bill.

Your Committee has amended this bill by deleting its contents and inserting the substantive contents of H.B. No. 168, H.D. 2. As amended, this bill appropriates funds for fiscal year 2005-2006 and fiscal year 2006-2007 for HFBBF to conduct agricultural research and market development.

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. 955, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 955, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Karamatsu and Tsuji.

SCRep. 1118 Agriculture on S.B. No. 1899

The purpose of this bill is to promote exports of locally-produced Rainbow papaya by appropriating funds for the development of guidelines and a marketing plan to obtain export clearances for the Rainbow papaya to Japan and other countries.

The University of Hawaii Center for Genomics, Proteomics and Bioinformatics Initiative, Hawaii Papaya Industry Association, Hawaii Farm Bureau Federation, Big Island Farm Bureau, Hawaii Crop Improvement Association, Hawaii Agriculture Research Center, and a concerned individual supported this bill. The Department of Agriculture and the Department of Business, Economic Development, and Tourism supported the intent of this measure. The Hawaii Organic Farmers Association and numerous concerned individuals opposed this bill.

Your Committee has amended this bill by:

- (1) Clarifying that the purpose of the appropriation is to:
 - (A) Provide the scientific information to support the deregulation process which will allow the genetically engineered Hawaiian rainbow papaya to be introduced into the Japanese market; and
 - (B) Initiate the development and implementation of a marketing plan to promote transgenic and non-transgenic Hawaiian papaya in Japan and in future markets, including China and the European Union;

and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

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. 1899, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1899, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Karamatsu and Tsuji.

SCRep. 1119 Water, Land, & Ocean Resources/Agriculture on S.B. No. 1267

The purpose of this bill is to appropriate funds for the Department of Land and Natural Resources (DLNR), in conjunction with the Hawaii Institute of Marine Biology, to hire a contractor to tag and monitor sharks along the Leeward Coast of Oahu from Pearl Harbor to Kaena Point.

A concerned individual testified in support of this bill. DLNR and the Hawaiian Humane Society offered comments.

Your Committees have amended this bill by:

- (1) Inserting an appropriation of \$25,000; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1267, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1267, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Evans, Herkes, Morita, Halford, Meyer and Stonebraker.
(Representative Thielen voted no.)

SCRep. 1120 Energy & Environmental Protection on S.B. No. 1003

The purpose of this measure is to allow eligible customer generators of any capacity to participate in the net energy metering program.

The measure also provides a schedule for incrementally increasing the total amount of generating capacity that an electric utility is obligated to accept from eligible customer generators.

With respect to the maximum allowable capacity for customer-generators and the total capacity that a utility must accept from customer-generators, your Committee finds that the Public Utilities Commission should be allowed to increase these capacity amounts, by rule or order, above the floor set by statute. Your Committee also finds that monthly billing should be retained. However, credits for excess electricity produced by the eligible customer-generator should be carried over to the next month as a monetary value to the credit of the eligible customer-generator, which credit may accumulate and be used within each twelve-month period.

Accordingly, your Committee has amended this measure by:

- (1) Increasing the maximum allowable capacity for customer generators to not more than three hundred kilowatts, and authorizing the Public Utilities Commission, by rule or order, to increase this maximum allowable capacity amount;
- (2) Allowing the Public Utilities Commission to set and increase, by rule or order, the maximum percentage of the electric utility's peak system demand that may be produced by eligible customer-generators; provided that the maximum percentage shall not be less than .5 per cent of the utility's peak system demand;
- (3) Authorizing the Public Utilities Commission to amend the applicable rate structure and standard contract or tariff;
- (4) Retaining monthly billing; provided that the excess electricity generated by the customer-generator, if any, in each monthly billing period shall be carried over to the next month as a monetary value to the credit of the eligible customer-generator. This credit may accumulate and be used to offset the compensation owed the electric utility for the eligible customer-generator's net kilowatt-hour consumption for succeeding months within each twelve-month period;
- (5) Requiring the electric utility to provide the eligible customer-generator with a twelve-month reconciliation of the eligible customer-generator's consumption and production of energy;
- (6) Clarifying that credits for excess electricity from the eligible customer-generator that remain unused after the twelve-month reconciliation may not be carried over to the next twelve-month period; and
- (7) Making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1003, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1003, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

SCRep. 1121 Human Services/Health on H.C.R. No. 77

The purpose of this concurrent resolution is to urge Medicaid to develop more Federally Qualified Health Centers (FQHCs) throughout the State for the benefit of those desperately in need of healthcare in their communities.

NAMI Hawaii and the Hawaii Primary Care Association testified in support of this measure.

Your Committees find that community health centers are Hawaii's largest healthcare safety net that care for people who have the greatest barriers to health care and have the highest health risks. FQHCs should receive as much support as possible since they provide necessary services to underserved communities.

Your Committees have amended this concurrent resolution by:

- (1) Amending its title to read: "URGING THE STATE TO SUPPORT EXISTING FEDERALLY QUALIFIED HEALTH CENTERS AND TO IDENTIFY STATEWIDE SITES THAT WOULD BENEFIT FROM THE DEVELOPMENT OF MORE FEDERALLY QUALIFIED HEALTH CENTERS STATEWIDE";

- (2) Urging the State to support and develop FQHCs, rather than Medicaid;
- (3) Requesting the support of the federal Centers for Medicare and Medicaid Services and Health Resources and Services Administration; and
- (4) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 77, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 77, H.D. 1.

Signed by all members of the Committee except Representative Stonebraker.

SCRep. 1122 Tourism & Culture on S.B. No. 967

The purpose of this bill is to preserve and perpetuate Hawaiian culture by establishing a temporary Museum of Hawaiian Music and Dance Committee (Museum Committee), comprised of 11 members, to conduct an assessment to determine:

- (1) The type of institution that would be appropriate for a Museum of Hawaiian Dance and Music (Museum);
- (2) The best location or locations for this Museum; and
- (3) Possible financing mechanisms for the Museum.

The Hawaii Tourism Authority (HTA) and the Hawaii State Foundation on Culture and the Arts (HSFCA) supported this bill. The Department of Business, Economic Development, and Tourism supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Clarifying the intent of the bill by requiring the Museum Committee to complete an initial business plan for the Museum;
- (2) Establishing that costs of the administrative support for the Museum Committee are to be shared equally by HTA, HSFCA, and the Office of Hawaiian Affairs;
- (3) Clarifying that of the three members of the Committee appointed by:
 - (A) The President of the Senate, at least two members shall be practitioners or former practitioners of Hawaiian music and dance, and at least one member shall be a member of the Hawaiian Academy of Recording Artists or kumu hula; and
 - (B) The Speaker of the House of Representatives (Speaker), at least two members shall be practitioners or former practitioners of Hawaiian music and dance, and at least one member shall be a member of the Hawaiian Academy of Recording Artists or kumu hula;
- (4) Deleting the provision establishing that no more than two representatives of the general community be appointed by the Speaker and the President of the Senate to the Committee; and
- (5) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 967, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 967, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1123 Tourism & Culture on S.B. No. 1863

The purpose of this bill is to improve administration of the transient accommodations tax (TAT) by requiring the Department of Taxation (DOTAX) to:

- (1) Report annually to the Legislature on TAT revenues received from owners of residential properties who operate vacation rentals and bed and breakfast establishments;
- (2) Review the forms and process for the collection of the TAT and include separate categories of collection for residential properties used as vacation rentals and bed and breakfast establishments; and
- (3) Submit a report of the review of the forms and process for the collection of the TAT to the Legislature.

DOTAX opposed this bill. The Department of Business, Economic Development, and Tourism and the Tax Foundation of Hawaii offered comments.

Your Committee has amended this measure by:

- (1) Requiring DOTAX to coordinate with the Hawaii Tourism Authority (HTA) and each county to identify owners of residential properties subject to the TAT who operate vacation rentals and bed and breakfast establishments;

- (2) Authorizing DOTAX to coordinate with HTA and each county to conduct audits of owners under paragraph (1) and take other administrative and enforcement actions to ensure compliance with the law;
- (3) Changing the effective date to July 1, 2005; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1863, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1863, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Herkes.

SCRep. 1124 Health/Human Services on S.B. No. 1235

The purpose of this bill is to support cost-effective care for Hawaii's elderly by extending the All-inclusive Care for the Elderly (PACE) program for two years while PACE await final federal approval and permanent status.

The Department of Human Services and Hawaii Health Systems Corporation supported this bill.

Your Committees find that PACE is an important resource to our aging community and to those who care for them. PACE helps many of our elderly population maintain a somewhat independent lifestyle for an extended period of time and allows them and their families to avoid huge expenses if a more institutionalized setting were their only option for care.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1235 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1125 Tourism & Culture on S.B. No. 1141

The purpose of this bill is to improve time share regulation by clarifying the definition of "developer" to mean any person that creates a time sharing plan or is in the business of selling time share units. In addition, this bill establishes that a "developer" does not include:

- (1) A person who owns at any one time not more than 12 time share interests in a particular time share plan if that person did not create the time share plan and offers it for resale; and
- (2) An association not otherwise a developer, that engages a third party to offer on its behalf a time share interest in the time share plan for which it serves as an association; provided that the time share interest:
 - (A) Is sold to a person who acquired them for the person's own use and occupancy; and
 - (B) Is acquired by the association for non-payment of assessments, whether by foreclosure, conveyance, in lieu of foreclosure, cancellation of membership agreement, or otherwise.

Carlsmith Ball, LLP, supported this bill and suggested amendments. The Department of Commerce and Consumer Affairs supported the intent of this bill. ARDA-Hawaii opposed this bill as written.

Your Committee has amended this measure by deleting the list of persons and associations that are not included in the definition of "developer" and replacing it with the following list:

- (1) A person who has acquired one or more time share interests for the person's own use and occupancy and later offers the time share interest for resale; provided that a rebuttable presumption shall exist that an owner who has acquired more than 12 time share interests did not acquire them for the owner's own use and occupancy;
- (2) An association not otherwise a developer, that offers for sale, through its plan manager or a third party, time share interests transferred to the association through foreclosure, conveyance in lieu of foreclosure, cancellation for non-payment of assessments, or gratuitous transfer; and
- (3) A licensed real estate broker who owns at any one time not more than 12 time share interests in a particular time share plan and later offers the time share interests for resale, if:
 - (A) The time share interests are in a registered or previously registered time share plan and were not acquired from a person otherwise meeting the definition of a "developer" who actively engaged in offering or selling such time share interests;
 - (B) The resale of the time share interests are subject to all laws and rules applicable to resale of time share interests and any disclosure and registration requirements applicable to a resale agent, with certain exception; and
 - (C) While the time share interests are owned by the licensed real estate broker, the licensed real estate broker has not used or offered the time share interests as part of another time share plan, nor have the time share interests been submitted or incorporated into another time share plan.

As affirmed by the record of votes of the members of your Committee on Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1141, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1141, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

SCRep. 1126 Tourism & Culture/Economic Development & Business Concerns on S.B. No. 1304

The purpose of this bill is to improve the administration and operation of the Hawaii Television and Film Development Board (Board) and the Hawaii Television and Film Development Special Fund (Special Fund) by, among other things:

- (1) Increasing the number of Board members:
 - (A) To eleven;
 - (B) Appointed by the Governor to six; provided that:
 - (i) Two shall be appointed from a list of nominees submitted by the President of the Senate;
 - (ii) Two shall be appointed from a list of nominees submitted by the Speaker of the House of Representatives (Speaker); and
 - (iii) One shall be a current member of the University of Hawaii's faculty or administration;

and

 - (C) Required to have a current working knowledge of the film, television, or entertainment industry to six;
- (2) Establishing a seven-member quorum;
 - (3) Specifying that the Special Fund may receive grants from sources related to television and film development and production;
 - (4) Allowing the Board to establish subcommittees to administer specific programs and activities;
 - (5) Requiring the Board to convene only if there is a balance in the Special Fund or if any grant, loan, or investment program of the Board remains outstanding;
 - (6) Requiring the Board, by majority vote, to establish a subcommittee composed of Board members from government and the private sector to review grant applications and recommend grant recipients to the Board;
 - (7) Requiring the Board, by majority vote, to establish a subcommittee composed of Board members from government and the private sector to administer any venture capital, investment, or loan program and to make recommendations;
 - (8) Allowing up to 10 percent of the amounts in the Special Fund to be used to support operations of the Board, and the administration of the Special Fund and any grant, venture capital, or loan program established by the Board; and
 - (9) Appropriating general funds to be deposited into the Special Fund.

The Department of Business, Economic Development, and Tourism, Maui Film Office, and the Big Island Film Office supported this bill.

Your Committees note that suggestions were made during the public hearing to revise the nomination process for Board members by allowing the Governor, for each appointment, to choose from a list of three nominees submitted by the Speaker or the President of the Senate. An additional suggestion involved staggering the terms of the Board members. Your Committees support future efforts to consider these amendments as this bill moves along the legislative process.

Your Committees have amended this measure by:

- (1) Changing the number of Board members:
 - (A) To twelve;
 - (B) Appointed by the Governor to seven;
 - (C) Nominated by the President of the Senate for gubernatorial appointment to three;
 - (D) Nominated by the Speaker for gubernatorial appointment to three; and
 - (E) Required to possess a current working knowledge of the film, television, or entertainment industry to seven;

and

- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Tourism & Culture and Economic Development & Business Concerns that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1304, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1304, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative and Herkes.

SCRep. 1127 Consumer Protection & Commerce on S.B. No. 702

The purpose of this bill is to update, consistent with changes to federal antitrust law, remedies available under Hawaii's antitrust laws governing mergers and acquisitions by:

- (1) Broadening the applicability of the law so that it applies to "persons" that include limited partnerships, limited liability partnerships, limited liability limited partnerships, and limited liability companies; and
- (2) Authorizing a "person" to seek injunctive relief against threatened loss or injury from a proposed merger or acquisition, without having to prove actual loss or damage.

This bill also gives the court the discretion to award attorney's fees and costs to the prevailing party in actions challenging a merger or acquisition.

Your Committee received testimony in support of this measure from the State Attorney General and a concerned individual.

Your Committee finds that this bill will benefit Hawaii's business climate by allowing more business entities to challenge mergers and acquisitions that would create monopolies and stifle marketplace competition. Your Committee has amended this measure by:

- (1) Deleting references to "share capital" since this term is obsolete;
- (2) Deleting amendments that would have removed from subsection (b) of section 480-7, Hawaii Revised Statutes (HRS), language regarding when the court may order a divestiture of assets, and would have consolidated it with language in subsection (a);
- (3) Removing the terms "interest, or membership" that would have been added to the list of interests whose acquisition or holding is subject to the mergers and acquisitions law;
- (4) Adding a new section making technical amendments to section 480-13, HRS, of the antitrust law; and
- (5) Providing an effective date of July 1, 2009, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 702, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 702, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Kanohe, Saiki, Sonson and Stonebraker.

SCRep. 1128 Consumer Protection & Commerce on S.B. No. 754

The purpose of this bill is to streamline and improve the administration and enforcement of the insurance laws by conforming them to federal laws and national standards. Specifically, this bill:

- (1) Requires the Insurance Commissioner (Commissioner) to conduct an examination of each domestic insurer at least once every five, instead of every three years;
- (2) Authorizes the Commissioner to order, upon completion of a one-year suspension period, additional one-year extensions of the suspension or revocation of an insurer's certificate of authority, provided there is a basis for the action;
- (3) Deletes the one-year limitation on the suspension of an adjuster's or independent bill reviewer's license;
- (4) Provides for electronic filing and impact analysis of policy revisions that alter coverage;
- (5) Clarifies the extent of a liquidator's authority to hold hearings to determine whether any assets of the insurer have been concealed, misappropriated, or improperly transferred from the insurer;
- (6) Streamlines a liquidator's recovery of unpaid premiums by authorizing recovery of unpaid collected premiums owed to the insolvent insurer, and establishing original jurisdiction in the liquidation court to determine premium collection cases; and
- (7) Conforms state law more fully with the provisions of the Interstate Insurance Product Regulation Compact.

Testimony in support of this measure was received from the Department of Commerce and Consumer Affairs.

Your Committee finds that this measure will promote more efficient, consistent, and effective administration of the insurance laws.

To encourage further discussion of the bill, it has been amended to provide an effective date of July 1, 2009. Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 754, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 754, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Kanofo, Saiki, Sonson and Stonebraker.

SCRep. 1129 Consumer Protection & Commerce on S.B. No. 131

The purpose of this bill is to provide a solution to the high cost and unavailability of medical malpractice and hospital professional and general liability coverage for the Hawaii Health Systems Corporation (HHSC), by authorizing a five-year pilot program under which funds are appropriated to allow HHSC to establish a captive insurance company that will provide this coverage to HHSC and its physicians.

HHSC and the Healthcare Association of Hawaii testified in support of this bill. The Department of Health and Department of Commerce and Consumer Affairs submitted testimony in support of the intent of this measure.

Your Committee finds that the cost of HHSC's insurance escalated from \$1,400,000 to \$4,290,000 between policy years 2003-2004, and 2004-2005, with less coverage. The anticipated benefits of a captive insurance program would include stability and predictability in risk financing, and cost savings that would begin in the second and third years of the pilot program.

Your Committee further finds that there are approximately 18 Hawaii-based captive insurance companies that insure the risks of owners and affiliates who have hospitals, medical schools, physicians, and other healthcare facilities around the country. The Insurance Commissioner (Commissioner) testified that the majority of these companies were licensed since the late 1990s, and that these companies have worked very well in providing coverage and control of their owners' insurance and risk management needs.

Your Committee has amended this bill, as recommended by the Commissioner, by deleting the unnecessary "carve out" from the captive insurance law for the pilot program, because the existing law provides sufficient authority for the Commissioner to license the pilot program for HHSC.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 131, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 131, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanofo, Saiki, Sonson and Stonebraker.

SCRep. 1130 Consumer Protection & Commerce on S.B. No. 1132

The purpose of this bill is to organize, deregulate, and provide for the consistency and ease of use of the condominium property regimes law. This bill completes the recodification of the condominium law begun in 2004 by Act 164, Session Laws of Hawaii 2004, which enacted three parts entitled, General Provisions, Applicability, and Management of Condominiums. Four new parts dealing with the development and sale of condominiums have been added, which are entitled:

- (1) Sales to Owner-Occupants;
- (2) Creation, Alteration, and Termination of Condominiums;
- (3) Registration and Administration of Condominiums; and
- (4) Protection of Condominium Purchasers.

The Real Estate Commission, Hawaii Association of Realtors, Hawaii Bankers Association, Community Associations Institute Hawaii, and the former Condominium Law Recodification Project Attorney for the Real Estate Commission testified in support of this bill.

Your Committee finds that the recodified condominium law is the product of four years of hard work by the Real Estate Commission and its volunteer Blue Ribbon Recodification Advisory Committee in consultation with stakeholders. Your Committee thanks all those who participated, and applauds their efforts.

Your Committee has amended this bill by replacing its substance with the substance of H.B. No. 781, H.D. 1, the companion measure previously heard and passed out by your Committee. As amended, this draft differs substantively from the prior Senate Draft 2 in that the bill:

- (1) Amends section -149 of Act 164 to give associations the flexibility to invest funds in deposits, investment certificates, savings accounts, and certificates of deposit (CDs) of out-of-state financial institutions, and allows them to utilize the services of a securities broker when purchasing CDs;
- (2) Does not repeal chapter 514A, Hawaii Revised Statutes, which will continue to govern developers and purchasers of a condominium project registered prior to the effective date of the recodified condominium law; and

- (3) Contains different effective dates from the Senate Draft.

There are also numerous technical, nonsubstantive differences between this bill and the Senate Draft 2.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1132, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1132, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanohe, Saiki, Sonson and Stonebraker.

SCRep. 1131 Consumer Protection & Commerce on S.B. No. 1695

The purpose of this bill is to allow Hawaii's emerging new high technology firms and high-growth businesses to obtain the venture capital necessary to sustain and nurture their continued development and expansion in Hawaii, by authorizing the Hawaii Strategic Development Corporation (HSDC) to issue \$120,000,000 in tax credits that are to be used to secure loans to be invested by a professional fund of funds manager in venture capital funds, for this purpose.

Testimony in support of this bill was provided by the Hawaii Strategic Development Corporation, Hawaii Technology Trade Association, Nanopoint, Oceanit, Hawaii Biotech, Inc., Hawaii Pacific Health, and Hawaii Venture Capital Association. The High Technology Development Corporation supported the intent of this bill. The Department of Business, Economic Development and Tourism supported the intent of the bill and suggested an amendment. The Tax Foundation of Hawaii commented.

Your Committee strongly supports the purpose of this bill, which is to provide businesses that have progressed past their start-up phase, with a second tier of venture capital that allows them to expand while remaining in Hawaii, diversifying the economy, and providing a stable, long-term source of additional jobs for Hawaii's citizens.

However, your Committee is concerned that the language of this bill does not appear to provide sufficient guidance to ensure that the bill's stated goals are the actual outcome of the legislation. Specific concerns raised during the hearing include that the bill lacks any language requiring that:

- (1) Funds be invested in Hawaii companies;
- (2) Second-tier, rather than first-tier or start-up financing is provided; and
- (3) Companies in Hawaii that obtain capital through this legislation, remain in the state.

There was also concern that this bill should, but does not improve on a similar Oklahoma venture capital program which was criticized as being an inefficient method of allocating capital, in part because of the fees and costs of utilizing a professional fund of funds manager.

Your Committee finds that Hawaii's taxpayers will ultimately be responsible for HSDC's loans and investments under this legislation, and that further discussion of the issues is necessary to determine whether the bill adequately protects taxpayers' interests. Accordingly, your Committee has amended this bill by:

- (1) Removing the specific amount of the tax credit authorized;
- (2) Providing an effective date of July 1, 2009, to encourage further discussion of the measure; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1695, 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. 1695, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Kanohe, Morita, Saiki and Stonebraker.

SCRep. 1132 Consumer Protection & Commerce on S.B. No. 1557

The purpose of his [sic] measure is to provide stability and allow for long-term investment in Hawaii's renewable energy technology industry by repealing the sunset date of the renewable energy tax credits provision.

Testimony in support of this measure was received from the Hawaiian Electric Company, Hawaii Electric Light Company, Maui Electric Company, Sunking, Affordable Solar Contracting, Hawaii Renewable Energy Alliance, Hawaii Solar Energy Association, Inter-Island Solar Supply, R&R Solar Supply, and Powerlight. The Department of Business, Economic Development & Tourism supported the intent of this bill. The Department of Taxation testified in support of the intent of this bill but opposed it. The Tax Foundation provided comments.

Your Committee finds that repeal of the January 1, 2008 sunset date for renewable energy tax credits, will make a strong statement in support of the renewable energy industry and will help to decrease Hawaii's dependence on oil and coal.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1557, 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 Kanohe, Morita, Saiki and Stonebraker.

SCRep. 1133 Education on S.B. No. 1698

The purpose of this bill is to assist the Economic Alliance of Hawaii (Alliance) and the four county economic development boards in their support of Hawaii's growing technology sector. Specifically, this bill:

- (1) Provides tax credits for contributions of money, goods, or in-kind services to establish or maintain technology laboratories in the public schools;
- (2) Appropriates funds for a grant-in-aid to the Alliance to coordinate the marketing of Hawaii's technology companies and opportunities on the United States mainland; and
- (3) Appropriates funds to the Alliance to expand its Project EAST program to four additional schools.

The Hawaii State Teachers Association, Economic Development Alliance of Hawaii, Kauai Economic Development Board, and Hawaii Island Economic Development Board testified in support of this bill. The Department of Education and Department of Business, Economic Development, and Tourism supported the intent of this measure. The Department of Taxation opposed this measure. The Tax Foundation of Hawaii offered comments.

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. 1698, S.D. 2, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla and Waters.

SCRep. 1134 Education on S.B. No. 1483

The purpose of this bill is to support education in the state by authorizing the issuance of special purpose revenue bonds for Waimea Country School to finance and refinance the planning, acquisition, construction, and improvement of its educational facilities.

The Hawaii Association of Independent Schools and Waimea Country School testified in support of this bill. The Department of Budget and Finance offered comments.

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. 1483, 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 Cabanilla, Chang and Ching.

SCRep. 1135 Public Safety & Military Affairs on S.B. No. 1745

The purpose of this measure is to provide a tax credit to victims of the Manoa flood of October 2004.

On the eve of Halloween of 2004, heavy rains and flooding caused substantial property damage to residents of Manoa Valley. The flood that is estimated to occur once every fifty years caused Manoa stream to overflow its banks and carry mud, debris, and rushing water into low-lying areas. The flood left residents with the daunting task of cleaning their homes, replacing furnishings, and repairing damage to homes and automobiles.

This bill provides a one-time non-refundable tax credit of up to \$2,000 to assist the victims of the Manoa flood. It is the intent of your Committee that the tax credit only apply to residents of Manoa Valley who suffered property damage caused by the late October flood of 2004.

Your Committee received informational testimony from the Department of Taxation and the Legislative Tax Bill Service.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1745, 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. 1136 Public Safety & Military Affairs on S.B. No. 1650

The purpose of this measure is to assist members of the Hawaii National Guard who reside on islands different from their duty station.

Specifically, the bill reimburses any member of the Hawaii National Guard for air transportation costs for travel from the member's residence within the State to the member's duty station for drills, exercises, or other official duties.

Your Committee finds that a reasonable number of members of the Hawaii National Guard live on islands different from the duty stations. These dedicated individuals regularly pay the cost of interisland plane flights each month simply to attend drills and other requirements of their military duties. Assistance to these service members will promote the ability of the Hawaii National Guard to retain more of these individuals much to the benefit of the organization and the State.

Your Committee received testimony in support of this measure from the Department of Defense and Chamber of Commerce of Hawaii.

Your Committee has amended this measure by changing the amount appropriated to allow further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1650, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1650, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1137 Public Safety & Military Affairs on S.B. No. 1838

The purpose of this measure is to increase the uniform maintenance allowance for enlisted members of the Army and Air National Guard.

This measure would also permit the allowance to be automatically deposited directly into a bank account designated by the member.

Testimony in support of the measure was submitted by the Department of Defense.

Your Committee has amended this measure by making it effective upon approval and by making technical changes for the purpose of correcting a grammatical error.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1838, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1838, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1138 Health on S.B. No. 1229

The purpose of this bill is to address the statewide shortage of qualified dental hygienists by authorizing the Board of Dental Examiners (BDE) to grant licenses without examination to dental hygienists who are already licensed in other states.

BDE, Hawaii Dental Hygienist's Association, and Hawaii Institute for Wellness in Dentistry supported this bill.

Your Committee finds that there is a critical shortage of experienced dental hygienists in the State and that this has adversely affected consumer access to dental hygiene services. Allowing licensure by credentials for dental hygienists could help to increase the number of practicing dental hygienists in Hawaii.

Your Committee has amended this bill by:

- (1) Requiring applicants to provide a letter of intent to engage in the practice of dental hygiene in the state within six months of licensure;
- (2) Requiring that applicants provide an affidavit attesting to the applicant's professional standing and moral character from a dentist licensed and practicing in the jurisdiction in which the applicant is licensed and has been practicing.
- (3) Providing that an applicant is ineligible for licensure without examination if the applicant has failed the Hawaii dental hygiene examination more than once;
- (4) Providing for a repeal date of June 30, 2007,
- (5) Clarifying the provisions under which a person is prohibited from practicing dental hygiene; and
- (6) Making technical, nonsubstantive changes for 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. 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 Consumer Protection & Commerce.

Signed by all members of the Committee.

SCRep. 1139 Health on S.B. No. 130

The purpose of this bill is to ensure a safe environment in Department of Health (DOH) psychiatric inpatient facilities by streamlining the process to obtain a court order permitting involuntary medicating of patients who may pose a danger to themselves as well as other patients and the staff who attend to them.

DOH, Hawaii Disability Rights Center (HDRC), and Healthcare Association of Hawaii supported this bill. The National Alliance for the Mentally Ill and Hawaii Government Employees Association supported the intent of this measure. The Office of the Public Defender and several concerned individuals opposed this bill.

Your Committee finds that the safety of patients and staff in a DOH operated or funded psychiatric facility is paramount. However, this bill does not address when a psychiatrist may initially, involuntarily medicate a mental health patient with psychotropic drugs in an emergency situation that occurs prior to obtaining a court order.

HDRC has suggested that language should be clarified to reflect that patients may be treated with antipsychotic medication over the patient's objections prior to receiving a court order, but only with antipsychotic medication that is required to treat the "emergency condition."

Such an amendment, as it pertains to the legal rights of the patient, psychiatrist, and staff of the facility, is beyond the purview of this Committee, therefore, we recommend that your Committee on Judiciary take a hard look at this matter.

Your Committee has amended this bill by:

- (1) Requiring DOH to report to the Legislature prior to the 2006 Regular Session regarding the results they have noted due to this legislation's enactment, and any proposed legislation to further enhance procedures;
- (2) repealing this Act on June 30,2007; and
- (3) Making technical, nonsubstantive changes for 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. 130, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 130, S.D. 2, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee.

SCRep. 1140 Health on S.B. No. 1468

The purpose of this bill is to protect the public from exposure to the hazards of secondhand smoke by expanding the ban on smoking to include all areas in private and public health care facilities; and in the area described as "from the curb to the cabin" at all state airports.

The Department of Health, Coalition for a Tobacco Free Hawaii, American Heart Association, Tobacco Free Oahu, American Cancer Society, Hawaii Island Tobacco-Free Partnership, and seven concerned individuals testified in support of this measure. The Department of Transportation offered comments.

Your Committee finds that exposure to secondhand smoke is a significant and proven health risk that has prompted the positive movement by hospitals and airports outside of Hawaii to increasingly mandate their property as smoke-free environments.

Your Committee recognizes that there is a concern raised on the effect that a smoking ban in airports could have on international visitors to Hawaii as well as patients in hospitals who may resent denial of, or become belligerent when denied the privilege of smoking, and that the Judiciary Committee may want to entertain the use of independently vented, negative-flow rooms to accommodate international travelers at the airport.

Your Committee has amended this measure by:

- (1) Clarifying language in technical terminology such as "from the curb to the cabin";
- (2) Including provisions that:
 - (A) Prohibit smoking at public beaches and parks and certain recreational areas;
 - (B) Prohibit disposal of smoking waste in any place where smoking is prohibited, except in a designated waste disposal container;
 - (C) Subject violators to a fine of \$250; and
 - (D) Repeal provisions that allow smoking in small businesses and retail stores.

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. 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 Committee on Judiciary.

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

SCRep. 1141 Health on S.B. No. 116

The purpose of this measure is to:

- (1) Establish a Nursing Scholars Program, administered by the University of Hawaii, for nurses with bachelor degrees to be able to pursue graduate degrees and careers in instruction; and
- (2) Enhance nursing instruction resources by requiring that upon graduation, scholarship recipients teach nursing for a number of years equal to those in which they received scholarship support.

The Healthcare Association of Hawaii, Queen's Medical Center, Hawaii Government Employees Association, and University of Phoenix supported this bill. The University of Hawaii School of Nursing and Dental Hygiene supported the intent of this measure. The Department of Taxation opposed this bill.

Your Committee finds that there is a shortage of qualified faculty to teach nursing, and this contributes to the state's serious shortage of nurses. Each semester the University of Hawaii School of Nursing turns away qualified applicants to its baccalaureate nursing program, and in the 2003-2004 academic year 240 applicants were denied admission because there was an insufficient number of faculty to assure the required faculty to student ratio for the program's clinical courses.

Your Committee also finds that nursing candidates whose second language is English face challenges when taking the written state Board of Nursing examination, and this further contributes to the shortage of nurses in Hawaii.

This measure has been amended by:

- (1) Changing the graduation requirement for the Nursing Scholars Program from an "accredited" nursing program with a bachelor of science in nursing to graduation from a "recognized" nursing program with a bachelor of science in nursing;
- (2) Re-establishing the two-year Operation Nightingale program to help nurses to review and train for the state Board of Nursing examination; and
- (3) Making technical, nonsubstantive changes for 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. 116, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 116, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1142 Water, Land, & Ocean Resources/Public Safety & Military Affairs on S.B. No. 1378

The purpose of this bill is to designate the path that runs from Halawa Landing to Waipahu as the Pearl Harbor Historic Trail (Trail).

Your Committees find that the Trail is significant to the community as part of Hawaii's outdoor recreation and transportation network, as well as its contribution to enhancing environmental preservation and education. Statutory designation of the Trail will assist in meeting the necessary requirements for federal funding opportunities to support the planning, construction, and completion of the trail.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Public Safety & Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1378, 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 Berg, Nakasone, Shimabukuro, Souki, Waters, Meyer and Stonebraker.

SCRep. 1143 Water, Land, & Ocean Resources on S.B. No. 212

The purpose of this bill is to appropriate funds to the Commission on Water Resource Management (Commission) to hire:

- (1) A Hydrologist IV to assist the Instream Use Protection Section in establishing the necessary instream flow standards; and
- (2) A Geologist I in the Survey Branch.

The Office of Hawaiian Affairs, Native Hawaiian Legal Corporation, Hanalei Watershed Hui, Earthjustice, and Sierra Club, Hawaii Chapter, testified in support of this bill. The Department of Land and Natural Resources supported the intent of this measure with budgetary concerns.

Your Committee finds that adequate funding and staffing are indispensable to enable the Commission to complete the Hawaii Water Plan that is their key planning tool mandated by the Water Code. Accordingly, your Committee has amended this bill by:

- (1) Making an appropriation to the Commission for data collection, monitoring, planning, and water management needs mandated under chapter 174C, Hawaii Revised Statutes, particularly the Hawaii Water Plan;
- (2) Specifically providing that the appropriation in this bill shall not reduce existing funding for the Commission;
- (3) Changing the effective date to July 1, 2006; and
- (4) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 212, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 212, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1144 Economic Development & Business Concerns on S.B. No. 1171

The purpose of this bill is to:

- (1) Remove the requirement that the Department of Taxation (DOTAX) consult with an advisory council before participating in multistate discussions; and
- (2) Require DOTAX, in conjunction with individuals selected by the President of the Senate and Speaker of the House, to identify issues, make recommendations, and conduct information briefings for the Legislature relating to a streamlined sales and use tax.

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, Hawaii Building and Construction Trades Council, AFL-CIO, Retail Merchants of Hawaii, Hawaii Food Industry Association, and Ironworkers Stabilization Fund testified in support of this bill. DOTAX opposed this measure. The Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Removing the provisions that would have removed the requirement that DOTAX consult with an advisory council prior to taking part in multistate discussions;
- (2) Requiring only DOTAX to identify issues, make recommendations, and conduct informational briefings for the Legislature relating to a streamlined sales and use tax; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1171, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1171, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1145 Legislative Management on S.B. No. 978

The purpose of this bill is to ensure that legislative proceedings of significant public interest are shown to viewers by requiring that the criteria for selecting the proceedings to be broadcast by the Legislative Broadcast Program shall be related to matters of public interest.

The League of Women Voters and a concerned individual testified in support of 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. 978 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1146 Legislative Management on S.B. No. 1749

The purpose of this bill is to authorize the Legislature to exercise its oversight responsibilities over budgetary matters. This bill:

- (1) Requires the Administration to notify the Joint Legislative Budget Committee (Committee) prior to restricting or withholding any funds budgeted and appropriated by the Legislature and to provide the reasons therefor;
- (2) Authorizes the Committee to hold public hearings on any decision by the Administration to restrict or withhold funds budgeted and appropriated by the Legislature; and
- (3) Requires that allotment estimates submitted by a department or establishment to the Director of Finance include all funds budgeted and appropriated by the Legislature to fully fund the programs of the department or agency.

The Hawaii Government Employees Association and the Hawaii State Teachers Association testified in support of this bill. The Governor's Office and the Department of Budget and Finance opposed this measure.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2010, to encourage continuing discussion; and
- (2) Making technical, nonsubstantive amendments to correct drafting errors.

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. 1749, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1749, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1147 Legislative Management on S.B. No. 1752

The purpose of this bill is to place the management and control of the entire state capitol building and grounds, including its parking facilities, under the joint management of the Legislature, through the Joint Legislative Management Committee, and the Department of Accounting and General Services (DAGS). Currently, DAGS is responsible for centralized engineering and office leasing services, including operation and maintenance of public buildings.

The Hawaii State Teachers Association and the State Senator from the 10th Senatorial District testified in support of this bill. DAGS opposed this measure.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2010, to encourage continuing discussion; and
- (2) Making technical, nonsubstantive amendments to correct drafting errors.

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. 1752, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1752, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1148 Consumer Protection & Commerce on S.B. No. 1137

The purpose of this bill is to increase investment options for associations that are subject to the provisions of the recodified condominium law, by amending Act 164, Session Laws of Hawaii 2004, to allow a condominium association to retain a Hawaii-based securities broker to invest association funds in certificates of deposit (CDs) from out-of-state lenders.

The Hawaii Association of Realtors, Hawaii Bankers Association, and Pahio Resorts, Inc., submitted testimony in support of this measure. Community Associations Institute Hawaii supported the bill with amendments. The Hawaii Independent Condominium and Cooperative Owners submitted testimony in opposition to this measure.

Your Committee finds that Act 164, which is set to become effective July 1, 2005, eliminates the ability of condominium associations to purchase CDs from out-of-state financial institutions. However, the current condominium law authorizes this, so long as the CDs are purchased through a securities broker with an office or base of operation in Hawaii.

Your Committee finds that by returning the recodified condominium law to the status quo, this bill will give associations subject to that law, a greater diversity of investment options for their funds.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1137, S.D. 1, recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho, Saiki, Sonson and Stonebraker.

SCRep. 1149 Consumer Protection & Commerce on S.B. No. 1778

The purpose of this bill is to provide for prompt resolution of unlicensed contracting complaints by:

- (1) Requiring the Regulated Industries Complaints Office to investigate complaints of unlicensed contracting within seven working days of receipt of a complaint and to complete investigations within 20 days; and
- (2) Appropriating an unspecified amount for the costs of investigating unlicensed contractors.

The Hawaii Government Employees Association AFSCME Local 152, the Hawaii Building & Construction Trades Council, and the Iron Workers Stabilization Fund submitted testimony in support of this measure. The Department of Commerce and Consumer Affairs submitted testimony in opposition to this measure.

Your Committee finds that there is a need for contractor complaints to be expeditiously resolved, especially since construction projects are generally completed in a short amount of time, and the illegal work could be finished before the investigation has commenced.

However, there are concerns that the seven working days to commence, and 20 working days to complete an investigation do not allow sufficient time for a thorough investigation.

Therefore, to encourage further discussion of this bill, your Committee has deleted the number of days specified in the bill, and has changed the effective date to July 1, 2009.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1778, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1778, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho, Saiki and Stonebraker.

SCRep. 1150 Energy & Environmental Protection on S.B. No. 1903

The purpose of this bill is to exempt seawater air conditioning district cooling projects from regulation by the Public Utilities Commission.

The exemption is contingent on at least fifty per cent of the energy required for the seawater air conditioning district cooling system coming from a renewable energy resource, such as cold, deep seawater.

Your Committee received testimony in support of this bill from the Department of Commerce and Consumer Affairs, Honolulu Seawater Air Conditioning LLC, Marine and Coastal Solutions International, Inc., and Jacoby Development, Inc. The Public Utilities Commission submitted comments for this bill.

Your Committee finds that seawater air conditioning projects can help advance our State's energy policy goal of reducing dependence on fossil fuels. The use of cold seawater to air condition buildings not only reduces fossil fuel-generated energy consumption, but also reduces the demand for electricity during peak-use hours and thus the need for additional fossil fuel generating plants to satisfy peak-use demand.

Your Committee has amended this bill by removing the contents of the bill and replacing it with the contents of H.B. No. 1707, H.D. 2, with the following results:

- (1) Section 1 of the bill presents similar but more abbreviated findings and expresses the same purpose of exemption from regulation by the Public Utilities Commission;
- (2) Section 2 of the bill provides for the same exemption but contains various technical, nonsubstantive amendments made for the purposes of clarity, consistency, and style; and
- (3) In section 3 of the bill, the effective date is changed to July 1, 2099, in the interest of promoting additional dialogue on concerns arising in the public hearing.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1903, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Consumer Protection & Commerce in the form attached hereto as S.B. No. 1903, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Carroll and Waters.

SCRep. 1151 Energy & Environmental Protection on S.B. No. 1114

The purpose of this measure is to provide a tax credit for the installation of energy storage systems.

An energy storage system (system) is used to store electricity (or an energy product created by electricity) for the primary purpose of shifting the consumption of grid electricity to off-peak hours.

This bill provides a tax credit for the costs associated with the installation of an energy storage system in an amount not to exceed thirty-five per cent of the total cost of the system, or \$500,000, whichever is less.

Your Committee finds that the use of energy storage systems will free-up on-peak electrical power, decrease the State's dependence of fossil fuels, improve renewable energy utilization, and reduce energy costs in the State. The tax credit will provide an incentive to promote the use and development of energy storage systems in the State.

Your Committee has amended the bill by:

- (1) Adding a purpose section to the bill;
- (2) Specifying that the amount of the tax credit (thirty five per cent of the total cost of the system or \$500,000) is an aggregate amount;
- (3) Setting a maximum annual tax credit amount of fifteen per cent of the total cost of a system;
- (4) Clarifying that eligible costs refer to costs related to the installation of a system;
- (5) Clarifying that the tax credit may not be claimed until the tax year in which the system is first placed in service;
- (6) Prohibiting the application of eligible costs applied to the energy storage system tax credit to other state tax credits;
- (7) Prohibiting the use of the tax credit in combination with any other state tax credit for the same system or any equipment used therefor;
- (8) Allowing no more than one system on a particular property to be eligible for the tax credit unless at least twelve months has transpired between the completion of a system and the initial installation of another system on the same property;
- (9) Clarifying that the carryover use of excess credit is subject to aggregate and annual tax credit limitations;
- (10) Including corporations and limited liability companies within the types of legal entities eligible for the tax credit;

- (11) Requiring an eligible financing or leasing entity to pass back at least ninety per cent of the net economic benefits of the tax credit through the financing or leasing terms to the actual user of the system;
- (12) Clarifying that a system does not include hot water storage systems, air ductwork, air devices, or cooling towers;
- (13) Clarifying the definition of "energy storage system"; and
- (14) Making technical amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1114, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1114, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1152 Energy & Environmental Protection on S.B. No. 1262

The purpose of this measure is to conduct a baseline environmental study for the area between Kalaeloa and Kaena point along the Waianae Coast.

Your Committee finds that the increase in commercial ocean recreation activities between Kalaeloa and Kaena has had a significant impact on traditional commercial fishing activities and other non-commercial activities. Your Committee further finds that the State lacks a comprehensive and practical plan to regulate the many marine activities in this area.

To address this concern, this bill requires the Department of Land and Natural Resources to conduct a baseline environmental study to determine the cumulative impact and appropriateness of adding other marine activities along the Waianae coast. Although your Committee supports the intent of this measure, your Committee finds that the measure does not go far enough to address the concerns of the Waianae community. Therefore, your Committee has amended the bill as follows:

- (1) Requiring a moratorium on the issuance of state small boat harbor permits until the boundaries of an ocean recreational management area between Kalaeloa and Kaena are determined and appropriate rules are adopted by the Department of Land and Natural Resources;
- (2) Requiring the Department of Land and Natural Resources to prepare a baseline environmental study to be used in preparation of the rules and providing specific procedural guidelines with respect to the study's preparation; and
- (3) Defining the term "ocean use activities" to specifically identify the activities that should be included in the baseline environmental study.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection 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 Berg, Carroll and Waters.

SCRep. 1153 Energy & Environmental Protection/Water, Land, & Ocean Resources on S.B. No. 1002

The purpose of this bill is to protect Hawaii's marine environment from pollution associated with discharge from cruise ships.

More specifically, this bill:

- (1) Regulates the discharge of sewage and other wastewater and air emissions from commercial passenger vessels;
- (2) Requires operators of commercial passenger vessels to maintain records of discharges; and
- (3) Requires operators of commercial passenger vessels to report any prohibited discharges.

The Office of Hawaiian Affairs, Life of the Land, KAHEA, and the Hawaii Chapter of the Sierra Club submitted testimony in support of the bill with amendments. A concerned citizen submitted testimony in support of this bill. The Department of Health, North West Cruiseship Association, Norwegian Cruise Lines, and NCL America submitted testimony in opposition to this bill.

Your Committees find that Hawaii has a unique marine environment and ecosystem known throughout the world. Our coastal waters not only serve as a food source but also play a vital role in the economy of the State, drawing thousands of visitors to these islands each year. Maintaining the viability of our marine ecosystem through the regulation of the numerous activities along our shoreline, such as the cruise ship industry, is an important endeavor that will not only affect today's citizens, but future generations as well.

Your Committees understands that the issue of regulation of discharges into marine waters of this State is a complex one that involves numerous federal regulations. Your Committees also understand concerns raised by all interested parties. However, the protection of Hawaii's fragile environment is paramount and this topic is worthy of further discussion.

Accordingly, your Committees have amended this measure by changing its effective date to July 1, 2050, in order to facilitate further discussion on this topic.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1002, S.D. 2, H.D. 1, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as S.B. No. 1002, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Kanoho and Meyer.

SCRep. 1154 Health/Human Services on S.B. No. 527

The purpose of this bill is to provide quality elderly care by giving county area agencies on aging more resources to procure the health and human services they need. Specifically, this bill will give these agencies access to purchasing privileges, and pricing contracts that are currently only available to state agencies.

The Office of Aging of the County of Hawaii supported this measure. The Executive Office on Aging and State Procurement Office supported the intent of this measure.

Your Committees have amended this bill by:

- (1) Replacing the provision relating to procurement of health and human services by county area agencies on aging, with provisions authorizing all county agencies to contract for health or human services in the same manner that the State contracts for these services; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 527, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 527, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1155 Health/Human Services on S.B. No. 561

The purpose of this bill is to support Hawaii's caregivers by creating a Caregiver Coordinator position within the Executive Office on Aging to use state resources in organizing a statewide system of caregiver support services.

The American Association of Retired Persons Hawaii, Kokua Council, National Multiple Sclerosis Society Hawaii Division, Policy Advisory Board for Elder Affairs, and a concerned individual supported this bill.

Your Committees find that the number of in home, family based caregiver situations are increasing with our rapidly expanding senior population. The time has come for a more focused approach to coordinate services for these caregivers to assist them in caring for their loved ones, while trying to prevent them from experiencing severe financial hardships that may occur when focus must be placed on the person needing care rather than a career.

In an effort to gain the a better understanding of the potential of this Program Specialist in Aging position your Committees have amended this bill by:

- (1) Changing the Program Specialist in Aging position from a full-time permanent position to a temporary position to allow for a trial period;
- (2) Setting a sunset date of June 30, 2007, for the Program Specialist on Aging position;
- (3) Inserting a \$1 appropriation to encourage further discussion; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 561, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 561, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Stonebraker.

SCRep. 1156 Health/Human Services on S.B. No. 562

The purpose of this bill is to require the Department of Health to provide family and caregiver support services for the elderly.

The Kokua Council, Policy Advisory Board for Elderly Affairs, and several concerned individuals supported this bill. The Executive Office on Aging supported the intent of this measure.

Your Committees find that most of Hawaii's long-term care needs are met by families in their own homes and that this arrangement is both preferred by elders and more cost-effective than institutional care. The Executive Office on Aging is the state agency charged with the development of caregiver systems and with ensuring that there is adequate support for caregivers.

Age is not the only criteria for those needing long-term care, and persons with limitations in their ability to perform the tasks or activities of daily living also receive support from family caregivers.

Your Committees have amended this bill by:

- (1) Also requiring the Department of Human Services to provide family and caregiver support services;
- (2) Including all persons with limitations in their ability to perform activities of daily living, not just persons over sixty years of age;
- (3) Removing "senior companion services" from the list of available support services that may be provided; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 562, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 562, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1157 Health/Human Services on S.B. No. 1624

The purpose of this bill is to allow physicians who treat Medicaid recipient patients suffering from HIV/AIDS or hepatitis C or Medicaid recipient patients who need organ-transplant immunosuppressives to prescribe any medications approved by the United States Food and Drug Administration that are needed to treat the Medicaid recipient patient without the hindrance of a preauthorization requirement.

Hepatitis Hale Treatment & Support Program; Hepatitis Prevention, Education, Treatment, and Support Network of Hawaii; Hawaii Chapter of the American Liver Foundation; National Association of Hepatitis Task Forces; and a concerned individual supported this bill. The Department of Human Services (DHS) and First Health Services Corporation opposed this bill.

Your Committees find that there is greater urgency than the current statute reflects in governing the method of distribution of the few effective prescription drugs to treat HIV/AIDS and Hepatitis C. Currently, a lengthy preauthorization program must be endured prior to a patient's being able to receive these drugs after they have been prescribed by a licensed medical physician.

Although DHS has been charged with the task of maintaining safety precautions with regard to these drugs, your Committees find that the urgency necessary for a patient's effective treatment and the safeguards set by the licensed medical physician demonstrate that this preauthorization policy is unnecessary in the treatment of HIV/AIDS and Hepatitis C.

In recognition of the concerns of DHS, your Committees have amended this bill by changing the effective date to July 1, 2020, to encourage further discussion.

This bill has also been amended by making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1624, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1624, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Stonebraker.

SCRep. 1158 Judiciary on S.B. No. 613

The purpose of this bill is to reduce adult offender recidivism by appropriating funds for the Interagency Council on Intermediate Sanctions to continue to implement its five-year strategic plan.

Several agencies are involved in this effort to reduce recidivism by 30 percent by establishing a continuum of services that are cost-efficient and based on the principle of "what works."

The Judiciary, Hawaii Paroling Authority, and six concerned individuals testified in support of this bill. The Department of the Attorney General, Department of Public Safety, and Department of Health supported the intent of this bill.

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. 613, 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 Herkes and Kanoho.

SCRep. 1159 Judiciary on S.B. No. 617

The purpose of this bill is to support the Court Interpreting Services Program's educational services and activities related to the training, screening, testing, and certification of court interpreters by establishing the Court Interpreting Services Revolving Fund.

The Judiciary and Hawaii Interpreter Action Network testified in support of this bill. The Department of Budget and Finance provided comments.

Your Committee finds that interpreter services are crucial to the court system to assure due process and equal access for individuals whose knowledge of the English language is limited. This measure will assist the Judiciary in developing and implementing a comprehensive education, screening, testing, and certification program for court interpreters.

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. 617, 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 and Kanoho.

SCRep. 1160 Judiciary on S.B. No. 1817

The purpose of this bill is to ensure that public school children have a healthy and safe learning environment by expanding the Department of Education's (DOE) authority to conduct criminal history record checks of those individuals other than employees who work and train in close proximity to children.

Currently, DOE may conduct criminal history record checks of all employees and persons seeking employment, including teacher trainees, who work and train in close proximity to children. This bill authorizes DOE to conduct criminal history record checks on DOE service providers and subcontractors and institute of higher education trainees.

DOE and the Department of Human Resources Development testified in support of this bill.

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. 1817, 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 Herkes and Kanoho.

SCRep. 1161 Judiciary on S.B. No. 1864

The purpose of this bill is to make an emergency appropriation of \$1,500,000 out of the Judiciary Computer System Special Fund for fiscal year 2004-2005 to pay for unanticipated expenses relating to the implementation of the Judiciary Information Management System (JIMS).

The Judiciary testified in support of this bill. A concerned individual suggested an amendment to the measure.

Your Committee finds that in the process of implementing the traffic module of JIMS, an integrated case management system that will improve the efficiency and accessibility of Hawaii courts, the Judiciary has encountered unanticipated expenses that would cause the Judiciary to exceed the current fiscal year's appropriation. This measure would appropriate the funds necessary to cover the unanticipated costs and prevent delays in the implementation of the JIMS project.

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. 1864, 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 Sonson.

SCRep. 1162 Judiciary on S.B. No. 439

The purpose of this bill is to improve enforcement of state ethics laws by authorizing the State Ethics Commission to impose administrative fines of up to \$500 for violations of the State Ethics Code for which no fine has been established.

The State Ethics Commission, League of Women Voters of Hawaii, and a concerned individual testified in support of this bill.

Your Committee has amended this bill by:

- (1) Replacing the term "penalty" with "administrative fine" in section 84-17(i), Hawaii Revised Statutes (HRS), for consistency with the new section on administrative fines;
- (2) Clarifying that the procedural requirements that must be met for assessments of the new administrative fine are limited to fines assessed under the new section; and
- (3) Making 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. 439, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 439, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Sonson.

SCRep. 1163 Judiciary on S.B. No. 602

The purpose of this bill is to prevent stolen property from being sold to pawn shops by requiring pawnbrokers and secondhand dealers to file daily electronic transaction reports with the police department.

The Hawaii Tourism Authority and Honolulu Police Department testified in support of this bill. The Video Software Dealers Association suggested amendments. The Hawaii Pawnbrokers Association and a concerned individual opposed this measure.

Your Committee has amended this bill by:

- (1) Providing that a pawnbroker or secondhand dealer may continue using existing software that is deemed by the police department to be sufficient to meet the electronic reporting requirements;
- (2) Establishing a temporary working group within the Department of Commerce and Consumer Affairs to review and discuss the feasibility of the bill's electronic reporting requirements;
- (3) Appropriating funds to:
 - (a) The temporary working group to carry out its duties; and
 - (b) The police department of each county to implement the electronic reporting requirements;
- (4) Changing the effective date to July 1, 2005, except the provisions for electronic reporting which shall take effect on July 1, 2008; and
- (5) Making 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. 602, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 602, 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 Kanoho.

SCRep. 1164 Judiciary on S.B. No. 673

The purpose of this bill is to appropriate funds to satisfy claims against the State for judgments, settlements, and miscellaneous payments.

The Department of the Attorney General testified in support of this measure.

Your Committee has amended this bill by including seven additional claims totaling \$612,239.98, that have been resolved since the passage of S.B. No. 673, S.D. 2. As amended, this measure's appropriation request totals \$1,526,362.92 allocated among 25 claims.

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. 673, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 673, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Sonson and Souki.

SCRep. 1165 Judiciary on S.B. No. 1476

The purpose of this bill is to clarify the fireworks law by, among other things:

- (1) Amending fireworks terminology to be consistent with federal law;
- (2) Including articles pyrotechnic to regulate their importation, storage, transfer, sale, or use;
- (3) Clarifying that a fireworks permit is required for the purchase or use of fireworks;
- (4) Specifying the time period when consumer fireworks may be sold; and
- (5) Prohibiting the giving, transferring, donating, or exchange for consideration of fireworks to any person who does not have a fireworks permit.

The State Fire Council, Hawaii Fire Chiefs Association, Hawaii Food Industry Association, and Hawaii Visitor Industry Security Association testified in support of this bill. Legislative Information Services of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to August 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1476, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1476, 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 Kanoho.

SCRep. 1166 Judiciary on S.B. No. 433

The purpose of this bill is to make elections more accessible and convenient by establishing a permanent vote-by-mail program for all federal, state, and county primary, general, and special elections. Specifically, this bill:

- (1) Requires all elections to be conducted by mail after an unspecified date;
- (2) Allows voting at polling places where necessary and convenient to voters to increase voter participation;
- (3) Sets forth procedures for mailing ballot packages to voters and delivering ballots, or making them available for pick-up for voters unable to receive ballot packages by mail;
- (4) Requires public notice of when ballot packages are mailed, delivered, or otherwise made available;
- (5) Establishes requirements for ballot instructions and completing and returning ballots;
- (6) Provides for replacement ballots;
- (7) Creates procedures for counting mail-in ballots; and
- (8) Appropriates an unspecified amount for fiscal year 2005-2006 for the Office of Elections (OE) to implement and administer the vote-by-mail program.

The Hawaii State Teachers Association and the Downtown Neighborhood Board No. 18 testified in support of this bill. The OE and Association of Clerks & Election Officers of Hawaii supported the intent of this measure. The Office of the Governor opposed this bill. The Disability and Communication Access Board and a concerned individual offered comments.

Your Committee has amended this bill by deleting its contents and inserting the contents of H.B. No. 1746, H.D. 1, Regular Session of 2005. As amended, this bill:

- (1) Requires the OE to:
 - (A) Develop and implement a Vote-by-Mail Pilot Program (Pilot Program) for the 2006 elections that would replace traditional polling places in the three representative districts with the lowest voter turnout rate in the last two election cycles; and
 - (B) Submit a report on the Pilot Program to the Legislature before the Regular Session of 2007;
- (2) Requires the Pilot Program to include voter education materials for voters eligible for the Pilot Program;
- (3) Appropriates unspecified amounts for fiscal years 2005-2006 and 2006-2007 to establish the Pilot Program; and
- (4) Takes effect on July 1, 2005, and sunsets on December 31, 2007.

Technical, nonsubstantive amendments were also made for clarity, 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. 433, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 433, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Sonson and Souki.
(Representative Thielen voted no.)

SCRep. 1167 Transportation on S.B. No. 427

The purpose of this bill is to increase the safety of Hawaii's children by amending Hawaii's child passenger restraint law. Among other things, this bill:

- (1) Requires children less than four years of age to be restrained by a child passenger restraint system that meets federal motor vehicle safety standards at the time of its manufacture;
- (2) Requires children four years of age or older, but less than eight years of age, to be restrained in a child safety seat or booster seat that meets federal motor vehicle safety standards at the time of its manufacture;
- (3) Provides exceptions to item (2) for:
 - (A) Children taller than four feet nine inches in height; and
 - (B) Children weighing more than 40 pounds in vehicles equipped only with lap belts in the rear seat;
- (4) Provides a general exception for children in the rear seat of a motor vehicle in which the number of persons traveling in the motor vehicle exceeds the number of seat belt assemblies; and
- (5) Eliminates consideration as contributory negligence, comparative negligence, or negligence per se of failure of a child under the age of eight years to be restrained, or failure to restrain a child in a child passenger restraint system, a booster seat, or a seat belt assembly.

The Department of Transportation, Department of Health, Kauai Subarea Health Planning Council, Honolulu Police Department (HPD), Maui Police Department, MADD Hawaii, American Academy of Pediatrics-Hawaii Chapter, Keiki Injury Prevention Coalition, and several concerned individuals testified in support of this measure.

Motor vehicle crashes are the leading cause of death for children and youth between the ages of four and 14. Many of those fatally or seriously injured in these crashes were not wearing seat belts or were not properly restrained. A study conducted in 2001 found that 90 percent of four to eight-year-old children who were seriously injured in a crash were not properly restrained. Additionally, a four-year study conducted by State Farm Insurance found that children ages four through seven who were properly restrained in belt-positioning booster seats were far less likely to be injured than children using seat belts alone.

Your Committee notes that seat belts were designed for older children and adults and that the size and physical development of children under eight make seat belts less effective and, at times, even dangerous. The National Highway Traffic Safety Administration, National Transportation Safety Board, and American Academy of Pediatrics all recommend that children ages four through seven be properly restrained in either a car seat or booster seat.

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. 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.

SCRep. 1168 Transportation on S.B. No. 706

The purpose of this bill is to protect the health and safety of the people of Hawaii by addressing the dangers associated with underage drinking and driving. Among other things, this bill requires the suspension of driving privileges for persons under twenty-one years of age who illegally purchases or possesses liquor as follows:

- (1) Suspension of a driver's license for at least 180 days; and
- (2) Postponement of the eligibility to obtain a driver's license until the person is 18 years of age or for 90 days, whichever period is longer.

This bill also allows discretion in permitting limited driving privileges to individuals with a suspended license for employment or educational purposes.

The Lieutenant Governor, the Representative of the 32nd District, a member of the Maui County Council, the Attorney General, the Office of Youth Services, the Department of Health, the Department of the Prosecuting Attorney of the City and County of Honolulu, the Honolulu Police Department, MADD-Hawaii, MADD-Hawaii Youth in Action, Hawaii Food Industry Association, Waianae Men in Recovery, and concerned individuals testified in support of this bill. The Department of Education supported the intent of this measure. The Office of the Public Defender testified in opposition to this bill.

Driving under the influence of an intoxicant (DUII) has been and continues to be a problem on highways and roadways across the country with an increase in the number of alcohol-related traffic fatalities being experienced in recent years. In fact, approximately 33 percent of traffic fatalities occurring in the state in 2004 were due to alcohol-related accidents. Intoxicated drivers pose a danger not only to themselves, but also to other motorists and pedestrians.

Unfortunately, underage drinking is extremely prevalent across the nation and in Hawaii. It has been estimated that more youths between the ages of 12 and 20 use alcohol (29 percent) than tobacco (23.3 percent) or illicit drugs (14.9 percent). National statistics show that in 2002, about two million minors age 12 to 20 drank five or more drinks on an occasion, five or more times a month. Moreover, alcohol consumption among underage drinkers is not only responsible for death and injury in motor vehicle crashes, but has also been found to be the major cause of other serious incidents involving persons under the age of 21 including homicides, suicides, sexual assaults, and unintentional injuries. Underage drinking in Hawaii cost taxpayers \$182 million in 2001 and continues to have not only monetary, but emotional and physical costs among Hawaii's youth today.

Your Committee finds that a driver's license is the prized possession of teenagers. Knowledge that a conviction for underage possession of alcohol will result in temporary loss of driving privileges is likely to deter many potential underage drinkers from possessing alcohol until they are legally entitled to do so. This measure can save lives by deterring underage drinking and drunk driving.

However, your Committee notes that there are some inconsistencies in the license suspension periods proposed by this bill and that the suspension of a driver's license as proposed by this bill may result in the need for the driver to obtain a Proof of Financial Responsibility (SR22 Form) that could result in the increase in the cost of auto insurance for the vehicles registered owner. Accordingly, your Committee has amended this measure by:

- (1) Providing that the eligibility to obtain a driver's license shall be suspended until the age of 17 or for 180 days, whichever period is longer, for persons not licensed to drive;
- (2) Removing requirement of proof of financial responsibility for the suspension of a driver's license of an individual under the age of 21 when the driver has been convicted of illegal possession of liquor;
- (3) Clarifying that individuals sentenced under the provisions of this bill shall be required to take part in an eight to 12-hour program of alcohol education and counseling rather than alcohol abuse education and counseling; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 706, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 706, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 1169 Transportation on S.B. No. 80

The purpose of this bill is to change motor vehicle carrier marking requirements to conform state statutory standards to federal standards.

The Department of Transportation (DOT) and the Hawaii Transportation Association (HTA) testified in support of this bill.

DOT also respectfully requested that this Committee consider amending this measure by including language from a House bill relating to pedestrian safety that was passed by your Committee on Transportation earlier during the session. HTA supported the intent of adding this language.

Your Committee understands that regulations established pursuant to the Federal Motor Carrier Safety Improvement Act are widely considered to be the uniform standard throughout the United States and that this bill would make state law consistent with new federal regulations. However, your Committee notes that H.B. No. 81, which is a companion measure to this bill is currently being discussed in the Senate. Your Committee further notes that pedestrian safety is of paramount importance to the residents of Hawaii. Furthermore, your Committee is concerned over the rising number of injuries and fatalities of pedestrians crossing the street and concurs with DOT that a pedestrian safety bill should be moved forward.

Between 1999 and 2002, there were a total of 117 pedestrian fatalities statewide. In fact, according to testimony presented by DOT, since the beginning of the Regular Session of 2005, there have already been eight pedestrian fatalities. Your Committee finds these statistics to be unacceptable.

Accordingly, your Committee has amended this measure by deleting its substance and replacing it with the substance of H.B. No. 737. As amended, this bill promotes traffic and pedestrian safety by requiring operators of vehicles to stop for a pedestrian:

- (1) Crossing the roadway within a crosswalk when the pedestrian is on a non-divided highway; and
- (2) Crossing in a crosswalk on either half of divided highway if the pedestrian is upon the half of the roadway upon which the vehicle operator is traveling.

Technical, nonsubstantive amendments were also made for 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. 80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 80, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1170 Transportation on S.B. No. 74

The purpose of this bill is to address Hawaii's current shortage of commercial drivers by allowing drivers who are 18 years-of-age or older to qualify for a commercial drivers' license (CDL) to transport intrastate commerce.

The Hawaii Transportation Association testified in support of this bill. The Department of Human Resources Development supported the intent of the bill but deferred safety concerns to the Department of Transportation (DOT). DOT testified in opposition to this measure.

Hawaii is currently facing a shortage of skilled commercial drivers. With increased economic activity resulting in increased freight volume and increased tourism in Hawaii, the situation is only expected to worsen unless something is done to resolve this problem. Allowing individuals who are 18 years-of-age or older to qualify for a CDL, with certain restrictions, is an attempt to deal with the present, and expected increase in, the need for professional drivers.

Your Committee understands the safety concerns raised by DOT regarding the age of CDL drivers and the maturity level needed to operate a commercial vehicle, especially larger trailer-type vehicles. Accordingly, your Committee has amended this measure by:

- (1) Prohibiting the operation of a commercial motor vehicle requiring the possession of a Category A CDL (a license to operate any combination of vehicles with a gross vehicle weight rating (GVWR) of 26,001 pounds or more, provided that the GVWR of the vehicle being towed is in excess of 10,000 pounds) by individuals under the age of eighteen;
- (2) Clarifying language regarding the applicability of provisions for the issuance of a CDL or CDL permit; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 74, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 74, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.
(Representatives Fox and Moses voted no.)

SCRep. 1171 Transportation on S.B. No. 77

The purpose of this bill is to increase highway safety by requiring:

- (1) Motor vehicle carriers to obtain vehicle identification cards by filing a form with specific information with the director of transportation; and
- (2) Commercial motor vehicles to be equipped with fenders, covers, or other devices, including flaps or splash aprons, to minimize the spray or splash of water or mud to the rear of the vehicle before being operated on public highways.

The Department of Transportation (DOT) and Hawaii Transportation Association testified in support of this bill.

Although DOT's existing administrative rules provide for the requirements of vehicle identification cards, no similar provisions exist under the current law. The use of "mudguards", which are devices that help prevent mud, water, and other road debris from being thrown to the rear of the vehicle, are also not statutorily required even though the use of these devices protects the safety of motorists. Your Committee finds that codification of these requirements will better enable DOT to enforce safety regulations imposed by the Federal Motor Carrier Safety Administration.

Your Committee has amended this measure by changing its effective date to July 1, 2050, to encourage further discussion.

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. 77, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 77, S.D. 1, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

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

SCRep. 1172 Transportation on S.B. No. 609

The purpose of this bill is to promote highway beautification and assist counties in defraying the costs of disposal of abandoned or derelict vehicles by allowing vehicle registration fees to be increased by county ordinance up to a maximum of \$10.

The Chair of the Maui County Council and a number of Maui County Council members testified in support of this bill.

Significant increases in the number of abandoned and derelict vehicles being discarded on Hawaii's roadways degrade the beauty of our island state and pose a danger to the public by creating unsafe driving conditions on our highways. Your Committee finds that removal of these vehicles should be accomplished as rapidly as possible and that providing the counties with a funding mechanism will aid the counties with this task.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to encourage further discussion.

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. 609, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 609, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1173 Transportation on S.B. No. 1591

The purpose of this bill is to assist the County of Hawaii (County) with the repair and maintenance of roads over which ownership or jurisdictional disputes have existed between the County and the State. These roads are also known as "Roads in Limbo."

The Mayor of the County of Hawaii and a member of the Hawaii County Council testified in support of this bill. The Department of Transportation (DOT) opposed this measure.

Many roads throughout the state were created or acquired by the Territorial Government of Hawaii. When county governments were created in 1905, controversy and jurisdictional questions arose regarding highways, roads, and streets. After statehood, jurisdiction of many of these roads remained in dispute where they remain to this day. As documented in the Legislative Reference Bureau's 1989 study, "Roads in Limbo: an Analysis of the State-County Jurisdictional Dispute", jurisdictional disputes over road ownership and the concomitant lack of adequate repairs and maintenance have plagued relations between the Territory, State, and counties for many years. This is especially true on the island of Hawaii where many of these "Roads in Limbo" exist.

Although Act 288, Session Laws of Hawaii 1993, formally resolved the jurisdictional issues between the State and the four counties by declaring that DOT was responsible for the State Highway System and that all other roads fell under the jurisdiction of the county governments, Hawaii County is seeking monetary assistance for maintenance and repair of roads, established for the most part by the Territory of Hawaii, that were "mandated" to their care by the Legislature without funding for this purpose.

Your Committee finds that in Hawaii County, approximately 250 miles of roadway exist that are considered "Roads in Limbo" which individuals continue to use as commuter routes and which are in serious need of repairs. Even though the County has stated that they are willing to take on the responsibility of maintaining these roadways, a lack of available resources only allows them to only conduct emergency maintenance to permit individuals living on these roads the ability to commute.

While your Committee understands the needs of the County, your Committee also understands the concerns raised by DOT regarding the funding mechanism this measure provides since monies in the State Highway Fund are reserved for the repair and maintenance of the State Highway System. Nevertheless, your Committee believes that the State should look at ways of funding the "Roads in Limbo" program for the County and that this matter deserves further consideration.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to encourage further discussion. Technical, nonsubstantive amendments were also made for 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. 1591, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1591, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1174 Education on S.B. No. 873

The purpose of this bill is to prepare children for success in their educational experience by:

- (1) Requiring the Department of Education (DOE) to staff junior kindergartens with qualified pre-school teachers and pre-school teacher aides, beginning with the 2007-2008 school year; and
- (2) Requiring the Hawaii Teacher Standards Board to develop standards for teachers and teacher aides assigned to junior kindergarten classrooms.

The University of Hawaii supported the intent of this bill. DOE, the Good Beginnings Alliance, and a concerned individual opposed this measure.

Your Committee has amended this bill by:

- (1) Specifying the qualifications of pre-school teachers and pre-school teacher aides to be hired for junior kindergarten, as follows:
 - (a) Pre-school teachers who are hired for junior kindergarten must have, at a minimum, a bachelor's degree from an accredited teacher preparation program; and
 - (b) Pre-school teacher aides who are hired for junior kindergarten must have, at a minimum, an associate's degree in early childhood education from an accredited program;and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 873, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 873, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla and Waters.

SCRep. 1175 Education on S.B. No. 1221

The purpose of this bill is to improve education and student achievement in the lower grades by:

- (1) Requiring the Department of Education (DOE) to reduce the student-to-teacher ratio from kindergarten to second grade;
- (2) Requiring DOE to develop a phase-in plan for the reduction of class sizes in grades three to five; and
- (3) Appropriating funds to:
 - (a) Reduce class sizes from kindergarten to fifth grade;
 - (b) Hire part-time teachers and tutors for elementary and intermediate schools that need them; and
 - (c) Hire additional part-time teachers and aides when the one to twenty-six student to teacher ratio is exceeded in grades three to five.

DOE and the Hawaii State Teachers Association testified in support of this bill. The Department of Budget and Finance and a concerned individual opposed this measure.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2099, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1221, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1221, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Chang and Ching.

SCRep. 1176 Economic Development & Business Concerns/Transportation on S.B. No. 848

The purpose of this bill is to provide financial flexibility to concessions by allowing the use of legal tender or financial instruments other than bonds to secure performance under concession contracts with the State.

The Department of Transportation testified in support of this bill.

Your Committees find that concessionaires are currently required to provide a bond to ensure performance under the terms of the concession agreement. Bonds have become increasingly expensive and difficult to obtain for airport concessionaires. This measure will provide financial flexibility and reduced costs.

As affirmed by the records of votes of the members of your Committees on Economic Development & Business Concerns and Transportation that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 848, 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, Shimabukuro, Fox and Moses.

SCRep. 1177 Labor & Public Employment on S.B. No. 535

The purpose of this bill is to prohibit an employer or labor organization from discriminating against an employee who uses accrued and available sick leave in accordance with a negotiated attendance policy.

The Hawaii State AFL-CIO, United Public Workers, Hawaii State Association of Electrical Workers, ILWU Local 142, and Hawaii State Teachers Association testified in support of this bill. The Chamber of Commerce of Hawaii, Society for Human Resource Management-Hawaii Chapter, Verizon Hawaii, Retail Merchants of Hawaii, Hawaii Pacific Health, GEICO, Hawaii Business Roundtable, The Gas Company, Hawaii Credit Union League, Hawaii Federal Credit Union, Production Hawaii, Inc., Integration Technologies, Inc., Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc., and Maui Electric Company, Ltd., testified in opposition to this measure. The Department of Labor and Industrial Relations, Department of Human Resources Development, and Hawaii Civil Rights Commission submitted comments.

Your Committee notes that although many employers currently offer sick leave benefits, no public policy, either via statute, rule, or regulation, exists to protect the legitimate use of sick leave.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 535, 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.
(Representatives Fox and Meyer voted no.)

SCRep. 1178 Labor & Public Employment on S.B. No. 671

The purpose of this bill is to improve and clarify laws regulating certain agricultural products by:

- (1) Authorizing the Department of Agriculture (DOA), as part of its agricultural grades and certification activity to make rules:
 - (A) Providing voluntary, fee-for-service weighing of agricultural commodities and certification of weight; and
 - (B) Regulating the advertisement of imported or Hawaii-produced agricultural commodities under the agricultural Grades and Standards Law;
- (2) Enabling the Certification Services Revolving Fund (Revolving Fund) to be used by DOA to support certification or audit services for all agricultural products regulated under the Grades and Standards Law, including chicken eggs, beef, pork, and poultry; and
- (3) Specifying that moneys derived from the certification or audit services for beef, pork, and poultry provided by temporary inspectors under the Revolving Fund be deposited into the Revolving Fund.

DOA testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 671, 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. 1179 Labor & Public Employment on S.B. No. 61

The purpose of this bill is to allow employers to streamline their method of transmitting wage information to their employees. Specifically, this measure authorizes an employer, upon receipt of written authorization from the employee and in lieu of a printed, typewritten, or handwritten record, to furnish the employee with an electronic record that details the employee's:

- (1) Total hours worked;

- (2) Overtime hours;
- (3) Straight-time compensation;
- (4) Overtime compensation;
- (5) Other compensation;
- (6) Total gross compensation;
- (7) Amount and purpose of each deduction;
- (8) Total net compensation;
- (9) Date of payment; and
- (10) Pay period covered.

This bill also requires an employer to maintain and preserve the electronic pay record and electronic accessibility to that pay record by the employee for a period of at least six years.

The Department of Labor and Industrial Relations, Verizon Hawaii, and the Hawaii State Teachers Association testified in support of this measure.

Currently, Hawaii's Wage and Hour law only requires employers to provide a "pay stub" to their employees in a printed, typewritten, or handwritten form. With the proliferation of electronic communications and prevalence of computers in the workplace, it seems reasonable to have employees receive their wage information in an electronic format. This measure would allow for the use of a more timely and cost-effective method for the transmittal of wage information and serves a beneficial purpose for both employees and employers as well as provide access to and maintenance of these records for a period of six years.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 61, 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 Meyer.

SCRep. 1180 Labor & Public Employment on S.B. No. 1052

The purpose of this bill is to protect the health of children by providing health care coverage for children who are financially supported by employee-beneficiaries of the Hawaii Employer-Union Health Benefits Trust Fund (EUTF). Specifically, this bill amends the current statutory definition of a "dependent-beneficiary" to include children who:

- (1) Are living in a parent-child relationship with an employee-beneficiary of the EUTF; and
- (2) Qualify as a dependent of the employee-beneficiary of the EUTF under federal tax requirements.

The Board of Trustees of the EUTF (Board) and Hawaii State Teachers Association testified in support of this bill. The Department of Budget and Finance testified in opposition to this measure.

Healthcare for all individuals has always been a tenet of Hawaii's society that was demonstrated by the passage of the Prepaid Healthcare Act which affords the ability to obtain healthcare insurance to most residents of Hawaii. However, your Committee notes that Hawaii's unique culture and lifestyle, along with a high cost-of-living, has led to individuals supporting and raising their nieces, nephews, grandchildren, cousins, siblings, or other "hanai" children. Although dependents of employee-beneficiaries of the EUTF such as children, stepchildren, adopted children, and foster children are currently covered under the benefits of an employee-beneficiary, such "hanai" children are not afforded this same benefit. According to rough estimates by the Board that are based on a number of assumptions, the fiscal impact of including "hanai" children as beneficiaries range from \$4.9 million to \$10.96 million. Your Committee finds that the benefits achieved by providing healthcare coverage to children far outweigh the potential costs of allowing these children to obtain healthcare coverage under the policies of employee-beneficiaries of the EUTF.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1052 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Meyer.

SCRep. 1181 Labor & Public Employment on S.B. No. 55

The purpose of this bill is to ensure that employees are given a reasonable time, at least 30 consecutive minutes, to rest, recover, and take a meal break after working five or more straight hours.

The Convanta Energy Group, Hawaii State AFL-CIO, ILWU Local 142, Hawaii State Teachers Association, and Hawaii Nurses Association testified in support of this bill. The Hawaii Civil Rights Commission and Americans for Democratic Action testified in support of the intent of this measure. The Department of Labor and Industrial Relations (DLIR), Legislative Information Services of Hawaii, Retail Merchants of Hawaii, Society of Human Resource Management-Hawaii Chapter, and The Hawaii Business League testified in opposition to this bill.

Although the provision of meal or rest breaks is a common practice of employers, your Committee finds that neither Hawaii state nor federal wage and hour laws currently require employers to provide employees over the age of 16 with any meal break, regardless of how many consecutive hours the employees may be required to work.

The provision of meal and rest breaks has garnered national attention. In fact, many other states, including California and New York, currently have laws that require employers to provide a meal break to employees who work between five- and eight-hour work shifts. Collective bargaining agreements often require meal breaks for covered employees. Your Committee believes that an employee whose job requires at least five or more continuous hours of work should be granted a reasonable period of time to rest or consume a meal during the work shift.

However, your Committee understands the concerns raised by opponents of the measure that the variability of job demands in certain industries may require that breaks not be given for a continuous, uninterrupted period of time since some employees need to "eat on the run".

Accordingly, your Committee has amended this measure by deleting its contents and inserting language from H.B. No. 338 HD2. In addition to providing 30 minute meal breaks to persons who work five or more continuous hours unless a collective bargaining agreement expressly provides for meal breaks, this measure, as amended:

- (1) Allows an employee to waive a rest or meal period offered by an employer;
- (2) Provides an exception to meal break requirements for an operator of a continuously operating facility that is regulated by an environmental permit if an on-duty meal is provided;
- (3) Provides an employer a method of seeking an exemption to the requirement of providing a break through a written application to DLIR; and
- (4) Requires that any issuance or revocation of an order that amends rest or meal period requirements by DLIR be in writing and conspicuously posted on the employer's premises.

Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 55, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 55, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1182 Labor & Public Employment on S.B. No. 294

The purpose of this bill is to assist Hawaii's workers while maintaining fairness for Hawaii's employers by:

- (1) Increasing the minimum wage from \$6.25 per hour to:
 - (A) \$7.00 per hour beginning January 1, 2006; and
 - (B) \$8.00 per hour beginning January 1, 2008;
- (2) Increasing the hourly wage tip allowance or "tip credit" from \$.25 to \$.75 beginning July 1, 2006; and
- (3) Providing temporary tax relief to employers by lowering to \$7,000 the maximum taxable wage base for contributions to the unemployment insurance trust fund for calendar years 2005 through 2007.

The Hawaii State AFL-CIO, Hawaii State Teachers Association, ILWU Local 142, and The League of Women Voters of Hawaii testified in support of this bill. The Hawaii Business League, National Federation of Independent Business/Hawaii, The Chamber of Commerce of Hawaii, Retail Merchants of Hawaii, Hawaii Restaurant Association, Tiki's Grill & Bar, LWD, Inc., Gyoatoku Japanese Restaurant, United Rim Transport, Inc., Staffing Partners, Aloha Petroleum, Ltd., Hawaii Automobile Dealers Association, Safeguard Services, Inc., and several concerned individuals opposed this measure. The Department of Labor and Industrial Relations submitted comments.

The concept of the minimum wage was established to allow working Americans the benefits of earning decent wages and living comfortable lives. Over the years, however, inflation and increases in the cost of living have outpaced increases in the minimum wage. This has forced many people, especially those living in Hawaii, to work two or more jobs just to make ends meet. This, in turn, has had a detrimental effect on the family unit as more and more parents find it necessary to work, making it more difficult to spend time with their families.

Your Committee understands the concerns raised by the business community regarding the amount of the minimum wage increase proposed in this bill. Your Committee also understands the concerns of the business community regarding the need for assistance with a minimum wage increase and that the lowering of the maximum taxable wage base for contributions to the unemployment insurance fund was an attempt to provide some relief to employers. However, in testimony submitted by the Hawaii Business League, it was noted that, with an increase in the minimum wage, many businesses may be forced to hire part-time workers and that to qualify for the tax savings proposed in this measure, a part-time employee will have to work 1,000 hours per year, which most part-time employees will not work.

After careful consideration, your Committee has amended this bill by deleting its contents and replacing it with the substantive contents of H.B. No. 1134, H.D. 2. As amended, this bill:

- (1) Increases the minimum wage from \$6.25 per hour to:

- (A) \$6.75 per hour beginning January 1, 2006; and
- (B) \$7.25 per hour beginning January 1, 2007;
- (2) Maintains the hourly wage tip allowance or "tip credit" at \$.25;
- (3) Eliminates the provision of temporary tax relief to employers by lowering to \$7,000 the maximum taxable wage base for contributions to the unemployment insurance trust fund for calendar years 2005 through 2007; and
- (4) Clarifies the term "seaman" as used in the definition of "employees" who are exempt from minimum wage standards to mean "an employee on a ship or vessel who has a Merchant Mariners Document issued by the United States Coast Guard".

Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 294, S.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 294, S.D. 3, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1183 Labor & Public Employment on S.B. No. 425

The purpose of this bill is to allow a surviving spouse or surviving reciprocal beneficiary of a member of the Employees' Retirement System (ERS) who is killed in the performance of the member's duties to continue to receive retirement and pension benefits subsequent to the spouse's or reciprocal beneficiary's remarriage, marriage, or entrance into a new reciprocal beneficiary relationship.

The Concerns of Police Survivors-Hawaii Chapter, Chief of the Maui Police Department, State of Hawaii Organization of Police Officers, Hawaii Government Employees Association, and Hawaii State Teachers Association testified in support of this bill. The Board of Trustees of the ERS testified in opposition to this measure. The Department of Budget and Finance submitted comments.

Your Committee finds that numerous individuals, especially public safety personnel, put their lives on the line on a daily basis to protect the general public or are employed in jobs that pose a risk or danger to their safety and well-being. The spouses and reciprocal beneficiaries of individuals who die in the line of duty should not be punished by losing pension and other benefits if they remarry or enter into a new reciprocal beneficiary relationship.

However, your Committee understands the concerns raised by opponents of this measure. Your Committee is also in receipt of legal concerns raised by the Attorney General with the present language in the bill.

Accordingly, your Committee has amended this measure by deleting its contents and inserting the substantive provisions of H.B. No. 344, H.D. 1. As amended, this bill:

- (1) Allows a surviving spouse or surviving reciprocal beneficiary to remarry, marry, or enter into a new reciprocal beneficiary relationship and to continue to receive pension and other retirement benefits arising from their former spouse's employment
- (2) Allows for the reinstatement of terminated benefits;
- (3) Clarifies that the reinstatement of terminated benefits is only applicable in the event of an accidental death;
- (4) Applies the ability of a surviving spouse or reciprocal beneficiary to reinstate terminated pensions or benefits for accidental death to all public employees;
- (5) Requires that benefit payments accruing between the effective date of reinstatement and the date reinstated benefits payments commence shall be paid without interest;
- (6) Clarifies the time frame under which benefits shall be paid to a surviving spouse or beneficiary under the ERS' hybrid retirement plan;
- (7) Applies the provision that allows a surviving spouse or surviving reciprocal beneficiary of all public employees to remarry, marry, or enter into a new reciprocal beneficiary relationship without the loss of pension and other retirement benefits to the ERS' hybrid retirement plan;
- (8) Clarifies the systems to which reinstatement of pension and retirement benefits shall be applicable; and
- (9) Makes technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 425, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 425, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1184 Labor & Public Employment on S.B. No. 807

The purpose of this bill is to adjust statutorily established salaries of state positions whose salaries are not set by the Executive Salary Commission.

The Department of Human Resources Development, Department of Budget and Finance, Department of Accounting and General Services, Department of Labor and Industrial Relations Appeals Board, Department of Health, Office of the Ombudsman, Office of the Auditor, Advisory Board on Veteran's Services, Housing and Community Development Corporation of Hawaii, and Hawaii Paroling Authority testified in support of this measure. The Acting Director of the Legislative Reference Bureau testified in support of the intent of this measure.

Your Committee understands that in the past, heads of executive departments, trial court judges, the administrative director of the courts, and heads of the legislative service agencies received similar salaries and that recent changes in the way various salaries are calculated have resulted in varying degrees of salary increases for a number of positions, while others have not seen any increase.

This is especially true among the legislative service agencies that, unlike their counterparts in the executive and judicial branches, have not witnessed a salary increase since 1990. Your Committee also notes that during these intervening years, even the staff of legislative service agencies have seen increases in their salaries of approximately 35 to 40 percent, allowing a number of these agency employees to earn more than their supervisors.

Your Committee finds that although executive agencies deserve salary increases, legislative service agencies whose salaries are statutorily established are also deserving of pay increases, which this bill does not accomplish.

Accordingly, your Committee has amended this measure by deleting its substance and inserting the substance of H.B. No. 1528, H.D. 2. As amended, this bill creates parity between the branches of government by adjusting the statutorily established salaries of various department heads and deputy positions, including the:

- (1) Chief Election Officer;
- (2) Auditor;
- (3) Legislative Reference Bureau Director;
- (4) Chairperson of the Hawaii Labor Relations Board;
- (5) Ombudsman;
- (6) Administrator of the State Procurement Office;
- (7) Stadium Authority Manager;
- (8) Vice-director of Civil Defense;
- (9) Deputy for Water Resource Management;
- (10) Executive Director of the Housing and Community Development Corporation of Hawaii;
- (11) Public Utilities Commission Chairperson;
- (12) Recycling Coordinator;
- (13) Hawaii Paroling Authority Chairperson;
- (14) Labor and Industrial Relations Appeals Board Chairperson;
- (15) Commissioner of Financial Institutions;
- (16) State Public Defender;
- (17) Director of the Executive Office on Aging;
- (18) Director of the Office of Veterans' Services; and
- (19) Executive Director of the Office of Community Services.

The bill has also been amended by:

- (1) Changing its effective date to July 1, 2010, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 807, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 807, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Meyer.

SCRep. 1185 Labor & Public Employment on S.B. No. 1193

The purpose of this bill is to permit all Department of Education (DOE) civil service employees, including those civil service employees transferred under Act 51, Session Laws of Hawaii (SLH) 2004, to retain the rights to apply for intradepartmental and interdepartmental transfer and promotional opportunities within the civil service system of the Executive Branch.

The Hawaii Government Employees' Association testified in support of this bill. DOE supported the intent of this measure. The Department of Human Resources Development submitted comments expressing concerns.

Act 51, SLH 2004, better known as the "Reinventing Education Act," calls for DOE to establish a separate civil service personnel system that encompasses all existing DOE employees as well as those who transfer to DOE from other executive departments.

Your Committee finds that employees who were under the civil service system established for executive departments who are transferred to the newly created civil service system of DOE should not have their benefits and rights diminished due to this transfer because it is a situation beyond their control.

However, your Committee finds that other employment benefits and rights besides intradepartmental and interdepartmental transfer and promotional opportunities within the executive branch should be preserved upon the establishment of the civil service system of DOE. Accordingly, your Committee has amended this measure by deleting its contents and inserting the language of H.B. No. 1614, H.D. 1, which provides a broader set of protections for civil service employees.

As amended, this bill protects the employment rights of public employees by ensuring that civil service employees of the newly established DOE civil service system shall have the same benefits and rights of civil service employees employed by the executive departments.

Your Committee has also amended this measure by:

- (1) Changing its effective date to July 1, 2010, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1193, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1193, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1186 Labor & Public Employment on S.B. No. 1194

The purpose of this bill is to improve the State Deferred Compensation System by allowing the public employee members of the Board of Trustees of the Deferred Compensation Plan (Board) to be elected rather than appointed.

The Hawaii Government Employees Association testified in support of this bill. The Board testified in opposition to this measure. The Department of Human Resources Development commented on this bill and expressed serious concerns.

Currently, the Board consists of seven trustees, five of whom are public employees appointed by the Governor with the advice and consent of the Senate. Public employees have complained that there is a lack of communication between the Board and the members they serve. Your Committee finds that by allowing the membership of the deferred compensation plan to elect five members of the Board, this problem will be addressed.

However, it is not the intent of your Committee that all five public employee members of the Board be elected at once so as to displace the current members who have recently been appointed. Accordingly, your Committee has amended this measure by:

- (1) Clarifying that the incumbent members of the board shall each complete their respective terms;
- (2) Providing that the election of a replacement member shall be conducted prior to the expiration of the term of each incumbent; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1194, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1194, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1187 Health on S.B. No. 118

The purpose of this bill is to address the shortage of dental specialists in Hawaii by expediting the examination and licensure of dental hygienists and dentists in allowing the Board of Dental Examiners to accept the results of regional examinations until a national examination has been implemented to qualify candidates for licensure in the state.

The Board of Dental Examiners, Kauai County Subarea Health Planning Council, Hawaii Medical Service Association, Hawaii Dental Hygienists' Association, Hawaii Institute for Wellness in Dentistry, Hawaii Primary Care Association, and several concerned individuals supported this bill.

Your Committee finds that a more efficient method is needed to provide qualified dental professionals with licensure to practice in Hawaii to combat the state's decline in oral health and rise in tooth decay. To better implement such action, your Committee has amended this bill by:

- (1) Removing the provision that applies the examination requirements for dental hygienists and dentists to all applications for licensure by dental hygienists and dentists that were still pending on February 1, 2004; and
- (2) Making technical, nonsubstantive changes for 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. 118, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 118, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

SCRep. 1188 Health on S.B. No. 568

The purpose of this bill is to improve Hawaii's dental care by allowing dental specialists that are licensed in a state with equivalent or higher licensing standards than Hawaii to be licensed in Hawaii without taking the state dental examination.

The Board of Dental Examiners, Hawaii Family Dental Centers, Tobin & Tobin, and numerous concerned individuals supported this bill. The Hawaii Dental Association, Hawaii Society of Orthodontists and numerous concerned individuals opposed this bill.

Your Committee finds that licensure by credential would allow dental specialists already in practice in other states to move their practice to Hawaii. This provision could increase the number of dental specialists in Hawaii and allow residents of our state greater access to specialty areas in oral health care. Denying licensure by credential to applicants unable to take the Hawaii dental licensure examination is counterproductive, particularly if the Hawaii dental licensure examination may not even have been administered.

There is also a critical shortage of general dentists willing to serve Hawaii's underserved populations, including those in rural areas and on the neighbor islands. General dentists differ from dental specialists in that their area of "specialty" is as primary care providers for patients of all ages. General dentists are responsible for the diagnosis, treatment, management, and overall coordination of services related to patients' oral health needs.

As such, this bill has been amended by:

- (1) Removing the provision that an applicant who has failed the Hawaii dental licensure examination within the preceding five-year period is ineligible for licensure without examination;
- (2) Allowing licensure by credential for general dentists;
- (3) Inserting a severability clause; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 568, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 568, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

SCRep. 1189 Health on S.B. No. 761

The purpose of this bill is to help persons struggling with severe mental health issues by allowing them insured health care by expanding the definition of "serious mental illness" to include obsessive compulsive disorder, dissociative disorder, delusional disorder, and major depression.

The Department of Health, Department of Commerce and Consumer Affairs, Hawaii Medical Association, The Queen's Medical Center, Kaiser Permanente, Hawaii Disability Rights Center, Hawaii Psychological Association, National Alliance for the Mentally Ill (NAMI)--Hawaii, NAMI-Oahu, Mestizo Association, Mental Health Legislative Coalition, and a concerned individual supported this bill. The Hawaii Medical Service Association provided comments.

Your Committee finds that there is overwhelming support for this measure--from the Governor to ordinary concerned individuals. The quest to gain full health coverage for persons with serious mental illnesses has been, up until now, addressed only on a piecemeal basis. This measure will provide a more comprehensive method to offer those afflicted with mental illness the insured health care they so desperately need.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and

- (2) Making technical, nonsubstantive changes for 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. 761, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 761, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

SCRep. 1190 Tourism & Culture/Economic Development & Business Concerns on S.B. No. 541

The purpose of this bill is to expand the State's tax incentives relating to performing arts and the motion picture, television, and digital media industry in Hawaii by temporarily replacing the existing Motion Picture and Film Production Income Tax Credit (Existing Tax Credit) with the Motion Picture, Television, and Digital Media Production Expenditure Income Tax Credit (Revised Tax Credit). Specifically, this bill, among other things:

- (1) Specifies that the Revised Tax Credit amounts to 15 percent of the qualified production costs incurred in any county of the state with a population over 700,000, and 20 percent of the qualified production costs incurred in any county of the state with a population of 700,000 or less;
- (2) Establishes certain requirements to qualify for the Revised Tax Credit;
- (3) Establishes certification and reporting requirements to claim the Revised Tax Credit;
- (4) Defines "qualified production costs" to include sound recordings;
- (5) Establishes a Wage Reimbursement Tax Credit for wages paid by qualified productions to below-the-line hires who are Hawaii residents;
- (6) Prohibits taxpayers, in a given tax year, from receiving financing for the production for which the Revised Tax Credit is being claimed by virtue of investments provided under the High Technology Business Investment Tax Credit (High Tech Tax Credit);
- (7) Establishes a definition for "performing arts products" under the High Tech Tax Credit that includes digital media, commercial television and film products for sale or license, commercials, and sound recordings;
- (8) Requires businesses that produce performing arts products, in the definition for "qualified high technology business" under the High Tech Tax Credit, to provide educational or in-kind support of Hawaii school performing arts programs, employment of Hawaii residents, and use of the businesses' facilities in the state used for the production of the performing arts products; and
- (9) Contains an effective date of July 1, 2050.

The Department of Business, Economic Development, and Tourism, Department of Taxation, Honolulu Film Office, Maui Film Office, Big Island Film Office, Musicians' Association of Hawaii, Local 677 AFM, IATSE Local 665, Oahu Visitors Bureau, and Campbell Estate supported the intent of this bill but preferred H.B. No. 1590. Three concerned individuals supported the intent of this measure. The Tax Foundation of Hawaii offered comments.

Upon careful consideration, your Committees have amended this measure by deleting its contents and inserting the substantive contents of H.B. No. 1590, H.D. 2, with amendments. As amended, this bill temporarily replaces the Existing Tax Credit with the Motion Picture, Digital Media, and Film Production Income Tax Credit (New Tax Credit). Specifically, this bill, among other things:

- (1) Specifies that the New Tax Credit amounts to 15 percent of the qualified production costs incurred in any county of the state with a population over 700,000, and 20 percent of the qualified production costs incurred in any county of the state with a population of 700,000 or less;
- (2) Clarifies that in a given tax year, no qualified production cost that has been financed by investments for which a credit was claimed by any taxpayer under the High Tech Tax Credit is eligible for the New Tax credit;
- (3) Does not include sound recordings in the definition of "qualified production";
- (4) Does not include the Wage Reimbursement Tax Credit;
- (5) Establishes requirements to qualify for the New Tax Credit;
- (6) Establishes certification and reporting requirements to claim the New Tax Credit;
- (7) Limits total New Tax Credits claimed per qualified production to \$8,000,000; and
- (8) Contains an effective date of July 1, 2005.

In addition, this bill, as amended, deletes the provisions relating to the definition of "performing arts products" and "qualified high technology business" under the High Tech Tax Credit that are contained in the bill as referred to your Committees.

As affirmed by the records of votes of the members of your Committees on Tourism & Culture and Economic Development & Business Concerns that are attached to this report, your Committees are in accord with the intent and purpose of S.B.

No. 541, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 541, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1191 Tourism & Culture on S.B. No. 768

The purpose of this bill is to improve regulation of dangerous no rules combat, extreme or ultimate fighting, and other similar competitions (No Rules Combat) by repealing the existing law prohibiting No Rules Combat and replacing it with provisions that, among other things:

- (1) Prohibit No Rules Combat, except when certain conditions are met;
- (2) Require a promoter of No Rules Combat to provide to the Department of Commerce and Consumer Affairs (DCCA):
 - (A) Information and documents to establish that a No Rules Combat match or exhibition is not prohibited; and
 - (B) Unedited video records of the No Rules Combat match or exhibition;
- (3) Establish a fine of not more than \$10,000 per offense for a person who violates the No Rules Combat or Similar Contests Law (No Rules Combat Law);
- (4) Establish that the submission of false information or documents by a promoter to DCCA constitutes a violation of the No Rules Combat Law;
- (5) Establish that in any proceeding involving an allegation of a violation of the No Rules Combat Law, there shall be a rebuttable presumption that a violation has occurred and a promoter or contestant shall have the burden of overcoming the presumption; and
- (6) Allow DCCA to bring an action to enjoin a person from continuing any violation of the No Rules Combat Law.

DCCA supported this bill.

Your Committee has amended this bill by:

- (1) Deleting the provision establishing the name of this bill as the "No Rules Combat Enforcement Act of 2005";
- (2) Clarifying that No Rules Combat matches or exhibitions that are exempted from the prohibition are directed and controlled by an adult referee in the ring who has at least one year's experience in refereeing a match or exhibition involving a combination of combative techniques and who has passed a physical examination by a licensed physician, including an eye examination, within two years prior to the match or exhibition; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Tourism & Culture 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 Judiciary.

Signed by all members of the Committee.

SCRep. 1192 Consumer Protection & Commerce on S.B. No. 1006

The purpose of this bill is to authorize the issuance of special purpose revenue bonds (SPRBs) for Honolulu Seawater Air Conditioning, LLC for plans, design, and construction of a seawater air conditioning (SWAC) district cooling system in downtown Honolulu.

The Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs and Honolulu Seawater Air Conditioning, LLC supported this bill. The Department of Budget and Finance commented.

Your Committee finds that a SWAC systems' use of cold, deep seawater could provide more than 70 percent of the cooling load in air conditioning systems in Honolulu. SWAC systems can also reduce the use of potable water and toxic chemicals. Your Committee believes issuing SPRBs to Honolulu Seawater Air Conditioning can help to meet Hawaii's energy self-sufficiency goals.

Your Committee has amended this bill by changing its effective date to July 1, 2005.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1006, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1006, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Kanoho, Morita, Saiki, and Stonebraker.

SCRep. 1193 Consumer Protection & Commerce on S.B. No. 1453

The purpose of this bill is to overrule a Tax Appeal Court decision finding private sewage treatment plants are not subject to the public service company (PSC) tax, by amending the definition of "gross income" in section 239-2, Hawaii Revised Statutes (HRS), to include income generated by these businesses.

Testimony in support of this measure was received from the Department of Taxation and the Hawaii State Association of Counties. The Tax Foundation of Hawaii submitted comments.

Your Committee finds that sewage companies are classified as public utilities under chapter 269, HRS. Public utilities are taxed under the PSC law in lieu of the general excise (GET) and real property taxes, and therefore are taxed at a 5.885 percent tax rate, and not the 4 percent GET rate, plus property tax.

However, the state Tax Appeal Court recently held that because sewage companies' gross income is not listed in the definition of PSC "gross income," their income is not subject to the PSC tax. This decision primarily affects the counties, because the State receives revenues attributable to a 4 percent tax on their income, and the counties receive the remaining 1.885 percent in excess of the State's portion. This allocation of PSC revenues was enacted into law because the counties asserted that they lose real property tax revenues when public utilities pay the PSC tax in lieu of property taxes.

Your Committee finds that this bill overrules a decision that would distort the structure and upset the balance of laws pertaining to the PSC tax.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1453, S.D. 2, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Kanoho, Morita, Saiki and Stonebraker.

SCRep. 1194 Consumer Protection & Commerce on S.B. No. 756

The purpose of this bill is to establish an expedited certification process for foreign health maintenance organizations by waiving certain filing requirements.

Your Committee received testimony in support of this bill from the Department of Commerce and Consumer Affairs. Testimony in opposition of this measure was received from HMAA. The Hawaii Medical Service Association provided comments and concerns.

Upon further consideration, your Committee has amended this measure by replacing its substance with that of H.B. No. 160, H.D. 1, which passed out of your Committee earlier this session. As amended, this bill:

- (1) Provides a formula for Insurance Division assessments of insurers regulated under Title 24 that restricts assessments to amounts needed for regulation of insurers;
- (2) Caps the total assessments that may be collected in any fiscal year at \$2,000,000, to provide insurers with some assurance of stability in assessment amounts;
- (3) Specifies that insurers be provided with 60 days notice of when their assessments are due; and
- (4) Requires the Auditor to conduct an annual audit of the Insurance Regulation sub-account of the Compliance Resolution Fund that is to be submitted to the Legislature prior to each regular session.

Your Committee finds that as amended, this bill will increase the transparency and accountability of the Insurance Division, and establish in statute a policy that limits the regulatory burdens of insurers to fair and justifiable levels.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 756, 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. 756, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Ito, Kanoho, Morita, Saiki and Stonebraker.

SCRep. 1195 Consumer Protection & Commerce on S.B. No. 1209

The purpose of this bill is to define and implement strategies to reduce the cost of prescription drugs by:

- (1) Establishing a Pharmaceutical Cost Management Council (Council) to consider and advise the Legislature on strategies to increase access to prescription drugs for Hawaii residents; and
- (2) Appropriating funds to:
 - (A) Subsidize the costs of Federally Qualified Health Centers in purchasing pharmaceuticals through the federal 340B Drug Pricing Program, and procuring free prescription drugs through pharmaceutical manufacturer's patient assistance programs, for their low-income patients; and
 - (B) Support the Medicine Bank in collecting and distributing free pharmaceutical samples.

The Hawaii Government Employees Association and AARP Hawaii submitted testimony in support of this bill. The Department of Human Services and Pharmaceutical Research and Manufacturers of America opposed the bill. The Department of Human Resources Development and Hawaii Medical Service Association commented.

Your Committee finds that solutions must be developed and implemented to provide affordable access to prescription drugs. The Council created by this bill will perform a comprehensive examination and analysis of potential solutions, advise on strategies, and determine whether proposed drug benefit programs might jeopardize any other related programs. The recommendations of the Council will serve as the basis for future legislation.

Your Committee has amended this measure by changing the effective date to July 1, 2009, to continue productive dialogue on this issue. Technical, non-substantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1209, 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. 1209, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Ito, Kanoho, Morita, Saiki and Stonebraker.

SCRep. 1196 Consumer Protection & Commerce on S.B. No. 122

The purpose of this bill is to enhance patient safety by expanding the scope of information in medical peer review committees and similar proceedings that is protected from discovery. Specifically, this measure defines and adds "case review forums" to the proceedings where information is protected from discovery.

Your Committee received testimony in support of this measure from Kaiser Permanente, Healthcare Association of Hawaii, and a concerned individual. Consumer Lawyers of Hawaii supported the intent of this bill with amendments.

Your Committee finds that this measure allows physicians and other clinical staff to freely report systemic problems without fear of blame or reprisal, in forums that are designed to use this information to improve medical procedures and systems for the benefit of patients.

Technical, nonsubstantive amendments were made to this bill for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 122, S.D. 1, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as S.B. No. 122, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Ito, Kanoho, Morita, Saiki and Stonebraker.

SCRep. 1197 Consumer Protection & Commerce on S.B. No. 625

The purpose of this bill is to make public, educational, and governmental (PEG) access organizations more accountable to the public by requiring the Department of Commerce and Consumer Affairs (DCCA) to include in PEG access organization contracts with DCCA, minimum requirements for public access to the records and meetings of PEG access organizations.

The Department of Commerce and Consumer Affairs and a private citizen submitted testimony in support of the intent of the measure, but with amendments. Olelo Community Television and two private citizens submitted testimony in opposition to this bill. The Office of Information Practices submitted comments.

Your Committee finds that public access to PEG organization records is critical to ensure the organizations' accountability. However, although the various PEG organizations are supported by funding from public cable subscribers, they differ in their policies for public access to board meetings and meeting records. This measure will help to secure the public's right to participate in PEG organization meetings and to access meeting records.

Your Committee has amended this measure by requiring DCCA to include the records requirements of chapter 92F, Hawaii Revised Statutes, the Uniform Information Practices Act (UIPA), in PEG access organization contracts, thus setting UIPA as the standard for public access to the records of these organizations.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 625, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as S.B. No. 625, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Ito, Kanoho, Morita, Saiki and Stonebraker.

SCRep. 1198 Health/Human Services on S.B. No. 3

The purpose of this bill is to:

- (1) Authorize the Department of Health (DOH) to license residential settings for persons with developmental disabilities or mental retardation;
- (2) Establish the rate of payment for residential services; and
- (3) Allow the Department of Human Services (DHS) to continue to certify community care foster family homes.

The Disability and Communication Access Board, Kona Krafts, Statewide Independent Living Council of Hawaii, and a concerned individual supported this bill. The State Council on Developmental Disabilities, DOH, Arc in Hawaii, and Arc of Kauai supported this measure with amendments. DHS supported the intent of this measure. The State Attorney General provided comments.

The U.S. Supreme Court ruled in the Olmstead Decree of 1999 that the failure of a state to provide community-based residential services to persons with mental retardation or developmental disabilities was a violation of the Americans with Disabilities Act, and it is right of an individual with a disability to live in a community setting of his or her choice instead of a more restrictive institution.

Your Committees find that there is an immediate need to bring the State into programmatic compliance with the Olmstead Decree. As such, your Committees have made the following amendments to this bill by:

- (1) Creating two new categories of residential services for persons with developmental disabilities or mental retardation:
 - (A) Developmental disabilities domiciliary homes for persons needing 24-hour care; and
 - (B) Developmental disabilities apartment complexes for persons who do not need 24-hour care;
- (2) Authorizing DOH to license, certify, regulate, or enter into purchase of service agreements for domiciliary homes and apartment complexes on behalf of persons with developmental disabilities or mental retardation;
- (3) Requiring the Director of Health to establish criteria for purchase of services agreements for domiciliary homes and apartment complexes;
- (4) Clarifying that DHS is not excluded from licensing, certifying, and regulating adult foster homes and providers that serve persons with developmental disabilities or mental retardation;
- (5) Including an appropriation to ensure that developmental disabilities residential service providers are adequately reimbursed for the residential services they provide; and
- (6) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Stonebraker.

SCRep. 1199 Health/Human Services on S.B. No. 127

The purpose of this bill is to:

- (1) Clarify that the plans of care for persons in licensed developmental disabilities domiciliary homes who are developmentally disabled, be for "support" and not "training"; and
- (2) Require the Department of Health (DOH) to determine the rate of payment for these services.

The Disability and Communication Access Board supported this bill. Although the State Council on Developmental Disabilities, Arc of Kauai, and the Arc in Hawaii supported this bill, they recommended that the bill be amended by inserting the contents from House Bill No. 1177. DOH supported the intent of this measure. The Department of Human Services provided comments.

Your Committees concur on the need to focus on the issue of allowing a person with developmental disabilities to choose where that person wants to live.

Accordingly, your Committees have amended this bill by deleting the contents and inserting contents of H.B. No. 1177.

As amended this bill requires that community residential alternatives for persons with developmental disabilities or mental retardation be in a setting of the person's choice, with consideration and recognition also given to the person's safety and well-being.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 127, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 127, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1200 Housing on S.B. No. 639

The purpose of this bill is to improve operational efficiency within the Department of Education (DOE) by:

- (1) Transferring the administration of the teachers' housing program from the Housing and Community Development Corporation of Hawaii (HCDCH) to DOE; and

- (2) Establishing the Teachers' Housing Revolving Fund for the accounting and control of receipts and disbursements related to DOE's planning, construction, repair, maintenance, and operation of teachers' housing programs.

HCDCH and DOE testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 639, S.D. 2, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1201 Housing on S.B. No. 801

The purpose of this bill is to:

- (1) Appropriate funds to the Kikala-Keokea Housing Revolving Fund (Fund) to provide low-interest home construction loans for Kikala-Keokea leaseholders and to fund related activities; and
- (2) Repeal the Kalapana Disaster Relief Program (Program).

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

Your Committee finds that the Program was established to assist Kalapana residents who lost their homes and land as a result of the eruptions of Kilauea Volcano, and according to HCDCH, was intended to be a "one-time public relief program of last resort[.]" The Fund was established to complete the development of Kikala-Keokea, a subdivision for persons of Hawaiian ancestry who were displaced from Kalapana.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 801, 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.

SCRep. 1202 Housing on S.B. No. 1852

The purpose of this bill is to expeditiously make available low-income housing units by:

- (1) Authorizing the issuance of general obligation bonds for the purpose of repairing and renovating vacant low-income housing units and constructing new low-income housing units; and
- (2) Requiring the Housing and Community Development Corporation (HCDCH) to complete all repairs and renovations to vacant low-income housing units and construct new low-income housing units and make them available for rent by December 31, 2008.

Catholic Charities Hawaii, Hawaii Catholic Conference, a member of the Maui County Council, and many concerned individuals testified in support of this bill. The City and County of Honolulu Department of Community Services supported the intent of this measure. HCDCH and a concerned individual provided comments.

Your Committee finds that HCDCH has approximately 700 vacant low-income housing units, or slightly less than ten percent of its total number of units. Because the number of vacant units varies, the provisions of the measure that require repair on a staggered basis are difficult to comply with.

Accordingly, your Committee has amended this bill by:

- (1) Removing the requirement that HCDCH complete all repairs and renovations to vacant low-income housing units and construct new low-income housing units by December 31, 2008;
- (2) Requiring HCDCH to submit a five-year plan to the Legislature relating to repairs, renovations, and construction of low-income housing units no later than 20 days prior to the convening of the Regular Session of 2006, and an annual report every year thereafter;
- (3) Requiring HCDCH to add at least ten percent in additional units to its total housing supply to be available for rent no later than December 31, 2008, including units that are new, renovated, and dedicated to individuals using section 8 certificate vouchers; and
- (4) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1852, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1852, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1203 Housing on S.B. No. 1854

The purpose of this bill is to adjust the cap on the rent supplement payment from \$160 per month to an unspecified amount that may be made by the Housing and Community Development Corporation of Hawaii (HCDCH) to a housing owner on behalf of a qualified tenant.

The Hawaii Catholic Conference, Partners in Care, and many concerned individuals testified in support of this bill. HCDCH supported the intent of this measure. Catholic Charities Hawaii and a concerned individual supported this bill with an amendment.

Your Committee notes that the intent of this measure is to increase the monthly rent supplement payments to further assist individuals to find a safe and healthy living environment in the private marketplace.

Your Committee has amended this bill by:

- (1) Removing the stipulation that rent supplement payments cannot exceed a segregated amount of \$160 a month;
- (2) Specifying that the income limit for participation in the State Rent Supplement Program shall not exceed 60 percent of the area median income;
- (3) Removing the provision that disallowed individuals receiving public assistance, except for federal Supplemental Security Income Program, from receiving state rent supplements; and
- (4) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1854, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1854, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1204 Housing on S.B. No. 797

The purpose of this bill is to make various housekeeping amendments to laws relating to the Housing and Community Development Corporation of Hawaii (HCDCH).

HCDCH testified in support of this bill.

Your Committee finds that when the Hawaii Housing Authority (HHA) and the Housing Finance Development Corporation (HFDC) were consolidated into HCDCH, the carryover of common terminology used in different contexts created ambiguity in the law. For instance, the term "housing project" had two different meanings. In the context of public housing, "housing project" meant state or federal low-rent public housing projects owned or operated by HHA. In the context of affordable housing, the term "housing project" had a broader meaning and included projects sponsored or assisted by the HFDC such as the Villages of Kapolei, a master-planned community comprising for-sale and rental housing, as well as public facilities and commercial areas. As a result of this ambiguity in the law, the City and County of Honolulu has not enforced traffic laws in the Villages of Kapolei.

This measure clarifies the law by adding a new general definition of "public housing project" or "complex", and makes conforming amendments to relevant sections of chapter 201G, Hawaii Revised Statutes (HRS), which relate specifically to public housing such as section 201G-100, HRS. Additionally, this measure corrects inconsistencies in the requirements governing the sale of housing units, including public housing units.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 797, 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. 1205 Economic Development & Business Concerns on S.B. No. 1127

The purpose of this bill is to streamline the public procurement process by:

- (1) Repealing the requirement that all offerors, upon award of a contract, be:
 - (A) Incorporated or organized under the laws of the State; or
 - (B) Registered to do business in the state as a separate branch or division that is capable of fully performing under the contract;

and
- (2) Removing contracts awarded pursuant to small purchase procurement from the list of procurements that is required to be verified by the procuring officer to ensure compliance with all laws governing entities doing business in the state.

The Department of Accounting and General Services, the State Procurement Office, and the City and County of Honolulu supported this bill. The Department of Budget and Finance supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1127, 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. 1206 Water, Land, & Ocean Resources on S.B. No. 895

The purpose of this bill is to protect Hawaii's marine environment, while preserving a sustainable supply of limu by:

- (1) Establishing a limu management area along the shoreline of Ewa Beach, Oahu; and
- (2) Creating an advisory group to assist the Department of Land and Natural Resources (DLNR) in determining best management practices.

The Nature Conservancy, Office of Hawaiian Affairs, and concerned individuals testified in support of this bill. DLNR did not support this measure because it was already working on rules on a limu management area with input from the community.

Native limu play an important role in the marine ecosystem. Not only is limu a source of sustenance for many Hawaii residents, but it also serves to protect Hawaii's precious and unique marine ecosystem. Protection of limu through the establishment of a limu management area along the shoreline of Ewa Beach on Oahu serves as a first, important step in protecting and invigorating the Hawaiian reef system.

Your Committee urges DLNR to expedite the adoption of its limu management area rules.

Your Committee has amended this measure by changing the effective date to December 31, 2006, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 895, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 895, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Berg, Waters and Meyer.

SCRep. 1207 Water, Land, & Ocean Resources on S.B. No. 1884

The purpose of this bill is to assure that the public can travel between different shoreline access points by requiring the counties to adopt ordinances requiring a subdivider or developer to connect existing or proposed access points as a condition of subdivision approval.

A member of the Maui County Council and the Hawaii Chapter of the Sierra Club supported this bill. The Native Hawaiian Legal Corporation supported this measure with amendments. The Board of Land and Natural Resources supported the intent of this measure. The City and County of Honolulu's Department of Planning and Permitting, Hawaii Association of Realtors, Hawaii Resort Developers Conference, and Land Use Research Foundation of Hawaii opposed this bill.

Your Committee finds that the rapid development of the state's shoreline area threatens the public's right to access, therefore, developers should be responsible for including adequate access points for the public.

The issues of prescriptive easements and the preservation of existing rights of access historically used for cultural purposes by native Hawaiian cultural practitioners are of great concern. It is felt that these subjects are beyond the purview of your Committee on Water, Land, and Ocean Resources and would be better considered by your Committee on Judiciary.

Your Committee has amended this bill by:

- (1) Adding proposed accesses to the kinds of access that may potentially be connected to each other through a developer's dedication of public access land;
- (2) Changing the definition of "lateral public access" to mean land for reasonable public access by right-of-way or easement for pedestrian travel alongside a shoreline or coastline, unless precluded by topography;
- (3) Repealing an obsolete subsection;
- (4) Adding language to ensure that this Act has prospective effect, only;
- (5) Changing the effective date to July 1, 2006; and
- (6) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1884, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1884, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 1208 Water, Land, & Ocean Resources on S.B. No. 1301

The purpose of this bill is to provide a balance between commercial activities and environmental conservation along the Waianae coast area of Oahu by:

- (1) Establishing a West Oahu Ocean Resource Management Area and requiring the Department of Land and Natural Resources (DLNR) to determine the number and types of permits to be issued for the West Oahu Ocean Resource Management Area and the location and type of activities allowed under the permits;
- (2) Limiting permits issued by DLNR for commercial activities on the Waianae coast to the number of permits issued as of January 1, 2005, to achieve the following objectives:
 - (A) Avoidance of user conflicts;
 - (B) Addressing environmental concerns; and
 - (C) Balancing the level of commercial activities originating from the harbors, marinas, and beaches along the Waianae coastline.

DLNR and the Office of Hawaiian Affairs supported this bill. A concerned citizen supported this bill with amendments. The Hawaii Boaters Political Action Association supported the intent of this measure.

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

- (1) Changing the name of the "West Oahu Ocean Resource Management Area" to the "West Oahu Ocean Recreation Management Area" to conform to existing naming conventions under chapter 200, Hawaii Revised Statutes;
- (2) Clarifying that DLNR shall issue activity-specific permits for the West Oahu Ocean Recreation Management Area;
- (3) Establishing that the provision limiting permits issued by DLNR for commercial activities on the Waianae coast shall be repealed upon the adoption of rules by DLNR that limit commercial vessel permits issued for use within the West Oahu Ocean Recreation Management Area to achieve the following objectives:
 - (A) Avoidance of user conflicts;
 - (B) Addressing environmental concerns; and
 - (C) Balancing the level of commercial activities originating from the harbors, marinas, and beaches along the Waianae coastline.

and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1301, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1301, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1209 Water, Land, & Ocean Resources on S.B. No. 1891

The purpose of this bill is to:

- (1) Require an owner of a commercial vessel moored in a state small boat harbor to pay a minimum fee based on a percentage of gross revenues derived from the use of the vessel; and
- (2) Expand the types of fees and penalties established through rules relating to harbors to be deposited into the Boating Special Fund.

Maui Dive Shop, Lahaina Divers, Aqua Lung Pacific, Blue Water Rafting, Frogman Charters, Alii Nui, Expeditions, Jack's Diving Locker, Maui-Molokai Sea Cruises-Prince Kuhio, Blue Dolphin Charters, Trilogy Excursions, and Ocean Tourism Coalition supported this bill. The Board of Land and Natural Resources supported the intent of this measure. The Hawaii Boaters Political Action Association and a concerned individual opposed this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2005; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1891, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1891, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1210 Water, Land, & Ocean Resources on S.B. No. 1897

The purpose of this bill is to establish permanent adequate funding for land conservation by:

- (1) Increasing the conveyance tax on a sliding scale;
- (2) Dedicating ten percent of the annual proceeds from the conveyance tax to the Land Conservation Fund (Conservation Fund);
- (3) Establishing a stable funding mechanism for the Natural Area Reserve Fund (Reserve Fund) by dedicating 25 percent of the conveyance tax to the Reserve Fund; and
- (4) Allowing grants to be made to state agencies, counties, and nonprofit land conservation organizations to acquire interest in lands having a value as a resource to the State.

Members of the Hawaii County Council, a member of the Maui County Council, County of Kauai Planning Department, Sierra Club-Hawaii Chapter, Hawaii's Thousand Friends, Conservation Council of Hawaii, The Nature Conservancy, Kona Land Trust, Big Island Farm Bureau, KAHEA-The Hawaiian-Environmental Alliance, Rocky Mountain Institute, Mauna Kea Anaina Hou, Maui Coastal Land Trust, Hawaii Invasive Species Management & Education Corporation, Kaua'i Public Land Trust, Malama Mahaulepu, The Trust for Public Land, Na Leo Pohai, North Shore Community Land Trust, and numerous concerned individuals testified in support of this bill. The Native Hawaiian Legal Corporation conditionally supported this measure. The Department of Taxation, Department of Agriculture, Department of Land and Natural Resources, Maui Land and Pineapple Company, Inc., American Farmland Trust, and Hawaii Agriculture Research Center supported the intent of the measure. Cendant Timeshare Resort Group, Inc., Fairfield Resorts, Inc., Land Use Research Foundation of Hawaii, and Hawaii Association of Realtors testified in opposition to this bill. The Tax Foundation of Hawaii and Ko'olau Mountains Watershed Partnership submitted comments.

Your Committee has amended this measure by deleting its contents and inserting the substantive provisions of H.B. No. 1308 H.D. 1. As amended, this bill establishes permanent adequate funding for land conservation by:

- (1) Dedicating 25 percent of the annual proceeds from the conveyance tax to the Conservation Fund;
- (2) Exempting the Conservation Fund from the five percent fee collected for government central service expenses relating to all special funds;
- (3) Including land with agricultural production and cultural value as "land having value as a resource to the State" by definition;
- (4) Allowing grants to be made to state agencies, counties, and nonprofit land conservation organizations to acquire interest in lands having a value as a resource to the State;
- (5) Clarifying that grants may be made for the purchase of permanent conservation easements;
- (6) Requiring that any permanent conservation easement in partnership with a federal land conservation program may be transferred only as provided by the rules of the federal program;
- (7) Excluding any re-depositing or crediting of monies to the Conservation Fund for rents of property protected by permanent conservation easements established by grants from the Conservation Fund;
- (8) Establishing a stable funding mechanism for the Reserve Fund by dedicating 25 percent of the conveyance tax to the Reserve Fund; and
- (9) Appropriating funds for three priority project areas that are eligible for federal funding to secure matching funding for the Federal Farm and Ranchlands Protection Program.

Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1897, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1897, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1211 Water, Land, & Ocean Resources/Public Safety & Military Affairs on S.B. No. 1732

The purpose of this bill is to reduce the loss of life on Oahu resulting from floods by appropriating funds for the installation of stream gauges and to operate and maintain a flood warning system for Lake Wilson in Wahiawa.

The Department of Land and Natural Resources offered comments.

Your Committees have amended this bill by:

- (1) Changing the effective date to July 1, 2006; and
- (2) Making technical, nonsubstantive amendments for style and to correct drafting errors.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Public Safety & Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1732,

S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1732, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Morita, Souki, Waters, Meyer, Stonebraker and Thielen. (Representative Moses voted no.)

SCRep. 1212 Labor & Public Employment/Education on S.B. No. 1250

The purpose of this bill is to assist substitute teachers of the Department of Education (DOE) by:

- (1) Requiring the Board of Education (BOE) to develop a classification/compensation plan for substitute teachers' pay commensurate with their educational training and academic experience; and
- (2) Providing an unspecified amount of funds for possible salary adjustments for public school substitute teachers.

Alston Hunt Floyd & Ing, attorneys at law, a law corporation, and numerous concerned individuals testified in support of this bill with amendments. DOE supported the intent of the measure. The Attorney General submitted comments.

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. Your Committees recognize that substitute teachers were recently forced to file a class action lawsuit to recover back pay from DOE and that the development of a classification and compensation plan for substitute teachers by the BOE may have mitigated the need for such action by the substitute teachers.

Your Committees have amended this measure by:

- (1) Changing the effective date to July 1, 2005; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Labor & Public Employment and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1250, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1250, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Hale, Souki, Waters and Fox.

SCRep. 1213 Labor & Public Employment/Education on S.B. No. 1636

The purpose of this bill is to improve education in Hawaii by:

- (1) Granting salary increases of 3.14 percent of their annual salaries for teachers who have completed a year's satisfactory service if the teacher earns under \$50,000 per year;
- (2) Granting a biannual performance step increase of 3.14 percent for teachers earning \$50,000 per year or more who have received positive performance evaluations as determined by the principal or immediate supervisor and who have complied with certain other statutory requirements;
- (3) Providing for an annual incremental or longevity increase for a year's satisfactory service in any fiscal year if a teacher does not qualify for an annual incremental increase or biannual performance step increase as outlined in (1) and (2); and
- (4) Creating a comprehensive teacher evaluation process.

The Hawaii State Teachers Association testified in support of this bill. The Department of Education (DOE) supported the intent of this measure. The Department of Budget and Finance (B&F) opposed this bill. The Hawaii Government Employees Association submitted comments.

Education is one of the most important aspects of a modern society. Your Committees find that a key factor in ensuring a quality education for all of Hawaii's students is the quality of their teachers. One way of ensuring that the teaching staff of any school is qualified is through an evaluation process that brings together teachers and staff to assist those who are not as proficient in certain areas in improving their skills. However, it is equally important to reward those individuals who strive for excellence to enhance the educational system. Incremental annual salary increases serves as a positive reinforcement for skill improvement among teachers and staff.

Your Committees understand the concerns raised by DOE and B&F regarding the negative impact this measure may have upon the ability of the State to negotiate collective bargaining agreements but note that incremental "merit based" salary increases were used by DOE in the 1970s.

Your Committees utmost concern is the improvement of Hawaii's educational system. Accordingly, your Committees have amended this measure by deleting its contents and replacing it with the substance of H.B. No. 1606 H.D. 1. As amended this bill:

- (1) Eliminates the provision of annual incremental or longevity increase for a year's satisfactory service in any fiscal year if a teacher does not qualify for an annual incremental increase or biannual performance step increase;
- (2) Eliminates the requirement that incremental and longevity step increases be established by law;

- (3) Establishes annual salary increases for teachers who meet various performance-based and other requirements;
- (4) Deletes the requirement that a teacher earn under \$50,000 per year in order to qualify for a salary increase for teachers who have completed a year's satisfactory service;
- (5) Clarifies that the granting of a performance step increase to teachers earning \$50,000 per year or more who have received positive performance evaluations as determined by the principal or immediate supervisor and who have complied with certain other statutory requirements shall be made annually rather than biannually;
- (6) Creates a comprehensive teacher evaluation process;
- (7) Deletes the requirement that passage of this measure not impair any collective bargaining agreement existing as of the effective date of this measure in a manner that violates either the Constitution of the State of Hawaii or Article I of the United States Constitution; and
- (8) Changes the effective date from July 1, 2020, to July 1, 2010, to encourage further discussion.

Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Labor & Public Employment and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1636, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1636, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Green, Hale and Souki.

SCRep. 1214 Housing on S.B. No. 179

The purpose of this bill is to:

- (1) Require the Housing and Community Development Corporation of Hawaii (HCDCH) to hold a public hearing in the community, development, or community development plan area where the proposed housing project is to be located; and
- (2) Allow the legislative body of the county where the project is to be located to approve or disapprove the project within 60 days instead of 45 days.

Several members of the Maui County Council testified in support of this bill. UniDev, LLC, proposed amendments to this measure. HCDCH, the Hawaii County Office of Housing and Community Development, City and County of Honolulu Department of Planning and Permitting, and City and County of Honolulu Department of Community Services opposed this bill.

Your Committee has amended this bill by deleting its contents and replacing it with contents that address Hawaii's critical affordable housing and homelessness problem by, among other things:

- (1) Providing flexibility to the counties in their land use density restrictions to allow for the development of low-income housing rentals;
- (2) Establishing a general excise tax exemption for developers of low-income rental housing;
- (3) Providing that Rental Housing Trust Fund (RHTF) loans and grants to developers may be provided when 50 percent or more of the available units are for persons with incomes at or below 80, instead of 60 percent of the median family income;
- (4) Requiring ten percent of general excise taxes on residential rentals be deposited into the RHTF;
- (5) Establishing a sliding scale for the payment of conveyance taxes;
- (6) Exempting from the conveyance tax, conveyances by nonprofit organizations certified for low-income housing development;
- (7) Increasing the amount of conveyance taxes transferred into the RHTF from 25 to 50 percent;
- (8) Appropriating funds into the RHTF;
- (9) Declaring a moratorium on demolition of decommissioned public housing and offering the housing to nonprofit entities or government agencies for rehabilitation into emergency transitional shelter facilities or rental units;
- (10) Appropriating funds for the expansion of emergency and transitional shelter facilities serving the homeless, upon meeting certain conditions;
- (11) Refocusing HCDCH housing developments on lower cost housing projects serving only persons with incomes 140 percent or less of the area median income;
- (12) Splitting HCDCH into two entities:
 - (a) The Hawaii Public Housing Administration to perform the function of developing and maintaining public housing; and

- (b) The Hawaii Housing Finance and Development Administration to perform the function of housing financing and development;
- (13) Repealing the RHTF Advisory Commission; and
- (14) Establishing a Legislative Affordable Rental Housing and Homeless Task Force.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 179, S.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 179, S.D. 3, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Halford.

SCRep. 1215 Housing on S.B. No. 1851

The purpose of this bill is to assist Hawaii's growing homeless population statewide by appropriating funds from the Emergency and Budget Reserve Fund (Fund) to:

- (1) Homeless and transitional housing projects on Kauai, Hawaii, and Maui;
- (2) Self-help housing projects on Oahu, Hawaii, Kauai, and Maui; and
- (3) The state homeless shelter program.

The City and County of Honolulu Department of Community Services, Mayor of Kauai County, several members of the Maui County Council, Institute for Human Services, Inc. (IHS), Kauai Economic Opportunity, Incorporated, Catholic Charities Hawaii, Hawaii Catholic Conference, and numerous concerned individuals testified in support of this bill. A concerned individual supported this measure with an amendment. The Housing and Community Development Corporation of Hawaii opposed this bill. The Department of Budget and Finance provided comments.

Your Committee recognizes that homelessness is a rapidly growing statewide problem that needs to be addressed immediately. While your Committee agrees that homelessness should be one of the Legislature's top priorities, there was some discussion on whether the Fund or general funds should be used for the appropriations in this measure. Several members believed that the appropriations should be expended from the general fund. However, the majority of your Committee agreed that the Fund is an appropriate source of funding because the need for homeless shelters and transitional housing is of an emergency nature and there currently aren't enough shelters and transitional housing to accommodate the growing homeless population.

Your Committee received testimony that individuals within the homeless population have different needs. For example, a large percentage of women using the services of IHS are mentally ill and their needs are very different from the needs of children and their families who should be placed separately from those women who are mentally ill.

Your Committee has amended this bill by:

- (1) Inserting an appropriation for homeless and transitional housing for children and families statewide; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1851, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1851, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1216 Economic Development & Business Concerns on S.B. No. 668

The purpose of this bill is to promote the growth and development of small business in Hawaii by requiring the State Procurement Policy Board to adopt rules that include provisions that:

- (1) Provide set-asides to small business in appropriate classifications or requirements susceptible to performance by small business; and
- (2) Impose mandatory evaluation criteria designed to encourage the use of small business as subcontractors on large contracts not susceptible to performance by small business.

The Department of Business, Economic Development, and Tourism, Department of Accounting and General Services, The Chamber of Commerce of Hawaii, Seal Masters of Hawaii, and HARK, Inc., dba Claim Check, testified in support of this bill. The State Procurement Office supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Changing the effective date to upon its approval.
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 668, S.D. 1, as amended herein, and

recommends that it pass Second Reading in the form attached hereto as S.B. No. 668, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1217 Economic Development & Business Concerns/Housing on S.B. No. 1814

The purpose of this bill is to authorize the Department of Education (DOE) to assess and collect impact fees, through intergovernmental agreement with a county, as fair share contributions of developers for state public school facilities construction. Funds collected are to be used in the school complex area for capital improvement projects identified in a needs assessment study or comprehensive plan.

DOE and the Land Use Research Foundation of Hawaii supported the intent of this bill.

Your Committees have amended this bill by:

- (1) Requiring that impact fees be deposited into an interest-bearing account rather than the state educational facilities impact fee trust fund;
- (2) Clarifying that impact fees shall not be levied on multi-year master-planned developments which provide for the dedication of land for public school facilities, or whatever agreement between DOE and the developer that was used at the time; and
- (3) Making technical, nonsubstantive amendments to correct drafting errors.

Finally, your Committees have also specified that DOE may continue to negotiate with developers for fair share contributions not to exceed \$1,125 per residential unit until rules are adopted and intergovernmental agreements are approved.

As affirmed by the records of votes of the members of your Committees on Economic Development & Business Concerns and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1814, S.D. 2, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 1814, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Arakaki, Chang, Green, Sonson, Marumoto and Pine.

SCRep. 1218 Economic Development & Business Concerns/Labor & Public Employment on S.B. No. 935

The purpose of this bill is to expand the scope of public work projects that are required to pay prevailing wages to laborers and mechanics working on the job site.

This bill:

- (1) Deletes the requirement that a qualifying public work project must have a governmental contracting agency as a party;
- (2) Clarifies the definition of "public work" to include any project financed from the sale of special purpose revenue bonds; and
- (3) Repeals the definition of "governmental contracting agency".

The Hawaii Building and Construction Trades Council, AFL-CIO and the International Brotherhood of Electrical Workers testified in support of this bill. The Department of Labor and Industrial Relations, Department of Accounting and General Services, and Employers' Chamber of Commerce opposed this measure.

Your Committees respectfully request the Committee on Finance to consider amending this bill by:

- (1) Inserting a definition of "contracting entity" that would include a governmental contracting agency; and
- (2) Authorizing a contracting entity to withhold from the contractor accrued payments needed to pay the laborers and mechanics employed on the job site the difference between the prevailing wages and the wages received and not refunded by the laborers and mechanics.

As affirmed by the records of votes of the members of your Committees on Economic Development & Business Concerns and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 935, 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 and Meyer.
(Representatives Ching, Fox and Marumoto voted no.)

SCRep. 1219 Transportation on S.B. No. 1362

The purpose of this bill is to address jurisdictional issues regarding the taking into custody and disposal of abandoned vehicles found in various areas of the counties by clarifying that a vehicle that has been abandoned:

- (1) On private land that is defined as a setback, shoulder, easement, or right of way that is adjacent to or part of a public highway may be taken into custody and disposed of by the counties;

- (2) On any public housing property owned, managed, or administered by the Housing and Community Development Corporation of Hawaii (HCDCH) may be taken into custody and disposed of by HCDCH; and
- (3) In any master planned community developed by HCDCH where the dedication of its private roads are pending approval by a county may be taken into custody and disposed of by the county.

The Vice-Chair of the Maui County Council and HCDCH testified in support of this bill. The Windward Ahupuaa Alliance supported the intent of this measure. Gentry Homes, Ltd., submitted comments.

Significant increases in the number of abandoned and derelict vehicles being discarded on Hawaii's roadways degrade the beauty of our island state and pose a danger to the public by creating unsafe driving conditions on our highways. Your Committee finds that removal of these vehicles should be accomplished as rapidly as possible and that providing the counties and HCDCH with the authority to take custody and dispose of abandoned vehicles in various areas of the counties will aid the counties with this task.

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. 1362, 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 Representative Ito.

SCRep. 1220 Transportation/Higher Education on S.B. No. 1697

The purpose of this bill is to assist the University of Hawaii (UH) through its Honolulu Community College (HCC), in the development of the aviation industry and expansion of aerospace training and research in Hawaii by appropriating funds for start-up costs for an integrated airlines training center.

The Chancellor of HCC and Global Flyers Corporation testified in support of this bill. The Department of Transportation and Department of Business, Economic Development, and Tourism supported the intent of the measure.

Over the past 15 years, UH has been seeking to develop and expand programs in the aerospace training and education fields. HCC has been at the forefront of this drive and has established a well-respected training program for aviation mechanics. Recently, HCC also began to develop training programs for airline pilots. Although negotiations were ongoing with Boeing Commercial Airline Company (Boeing) to develop advanced maintenance and pilot training programs, the events of September 11, 2001, put all efforts on hold.

Your Committees find that the airline industry, particularly in the Asia-Pacific region, is expected to experience rapid growth over the next couple of decades with the worldwide fleet of airline aircraft expected to double by 2022. It has been estimated that this will result in nearly 6,000 additional aircraft needing approximately 250,000 new pilots. It has also been estimated that at least 60,000 new pilots will be needed for servicing the Asia-Pacific region alone.

Your Committees note that with Boeing's innovative expansion into the area of servicing the training needs of their clients through a new company called Alteon Training, LLC (Alteon), the interest of Alteon and Global Flyers Corporation (a pilot staffing group), and the strong investment interest of a number of Asian businesses and countries, the time appears right for increased development of aviation training programs.

Although your Committees understand concerns raised regarding the amount of the investment in the development of training facilities, this small investment may account for millions of dollars in returns to the State's economy and is an investment worth further consideration.

As affirmed by the records of votes of the members of your Committees on Transportation and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1697, 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 Arakaki, Cabanilla, Green, Hale and Ching.

SCRep. 1221 Labor & Public Employment on S.B. No. 813

The purpose of this bill is to assist unemployed individuals and to support efforts to develop a skilled workforce by:

- (1) Authorizing the use of Reed Act funds to provide unemployment insurance (UI) benefits and for the administration of the State's UI system, including its public employment offices; and
- (2) Allocating \$20,000,000 of the \$31,000,000 in Reed Act funds to improve the services of the UI Division and Workforce Development Division of the Department of Labor and Industrial Relations (DLIR) with a provision that:
 - (A) \$6,000,000 be allocated to the four county workforce investment boards for, among other things, employer outreach services, labor force pool expansion, and capacity building; and
 - (B) \$1,000,000 be allocated to Leeward Community College (LCC) for education and job training for immigrants from the Freely Associated States pursuant to the workforce development program established under Act 225, Session Laws of Hawaii 2004.

The Mayor of the County of Hawaii, Department of Community Services of the City and County of Honolulu, and ILWU Local 142 testified in support of this measure. DLIR commented on this measure but stated that they preferred the original language of S.B. No. 813.

As a result of the Balance Budget Act of 1997, \$31,000,000 was deposited into the unemployment insurance trust fund account. However, these funds were not available for workforce development because federal restrictions require that these funds be strictly used for UI benefit payments. Recent amendments to federal law have expanded the means by which these funds can now be used to include programs geared toward workforce development.

Your Committee finds that efforts to improve the skills of Hawaii's workforce are ongoing and that the additional resources provided through the use of Reed Act funds will go a long way toward developing and maintaining a highly skilled workforce.

However, your Committee does understand concerns raised regarding the allocation of \$1,000,000 in Reed Act funds to LCC and that this allocation may be disallowed under federal law which may place the use of these funds in jeopardy. This is not the intent of your Committee. Accordingly, your Committee has amended this measure by:

- (1) Inserting language clarifying that if a provision is deemed to be in conflict with federal requirements that are a prescribed condition for the allocation of federal funds, the provision would be deemed inoperative solely to the extent of the conflict and with respect to the agencies directly affected; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 813, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 813, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Souki.

SCRep. 1222 Labor & Public Employment on S.B. No. 1620

The purpose of this bill is to appropriate unspecified amounts of funds to assist various health and human services programs.

The Judiciary; The Queen's Health Systems; The Queen's Medical Center; The Sex Abuse Treatment Center; People Living with HIV/AIDS in Hawaii; Catholic Charities Hawaii; Safe and Sound Program of Catholic Charities Hawaii; West Oahu Hope For A Cure Foundation; Save the FoodBasket, Inc.; Hepatitis Prevention, Education, Treatment & Support Network of Hawaii; Waikiki Community Center; Hawaii Foster Youth Coalition; Child Welfare Services State Advisory Council; and numerous concerned individuals testified in support of this bill. Kaiser Permanente and Hawaii Pacific Health opposed this measure in part. The Department of Budget and Finance submitted comments.

Your Committee understands the concerns raised regarding the allocation of funding to an individual medical facility to address the on-call provision of trauma and emergency medical services since this problem appears to be of statewide concern. Accordingly, your Committee has amended this measure by:

- (1) Deleting the appropriation to a particular medical facility to pay for costs incurred to compensate physicians to be on-call to provide trauma and emergency medical services;
- (2) Appropriating funds to facilitate the completion of a study by the Legislative Reference Bureau, in coordination with the Department of Health and The Queen's Medical Center, to evaluate the impact of the physician on-call crisis on The Queen's Medical Center Trauma Program to provide emergency medical services in the State of Hawaii;
- (3) Requiring that the study also address the impact of the on-call crisis on the provision of non-trauma emergency medical services and the impact to the patient transfer process that occurs when patients need a higher level of care;
- (4) Requiring that the study also recommend any appropriate government or private-sector action to alleviate the problem; and
- (5) Requiring that the funds appropriated for this study be matched on a dollar-per-dollar basis by The Queen's Medical Center.

Your Committee has also amended this measure by:

- (1) Changing the expending agency for grants provided for staff salaries for various positions and support staff at West Hawaii Community Health Center and Kona Community Hospital from the Hawaii Health Systems Corporation to the Department of Health; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1620, 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. 1620, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Caldwell.

SCRep. 1223 Transportation/Judiciary on S.B. No. 76

The purpose of this bill is to improve the law establishing penalties for motor vehicle size and weight violations by clarifying that any person guilty of committing any of the motor vehicle size and weight violations shall be fined in strict accordance with the table of fines provided under section 291-37, Hawaii Revised Statutes.

The Department of Transportation and Hawaii Transportation Association supported this bill.

As affirmed by the records of votes of the members of your Committees on Transportation and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 76, 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 Kanohe, Luke, Morita, Sonson and Moses.

SCRep. 1224 Education/Human Services on S.B. No. 1634

The purpose of this bill is to increase the State's support of early childhood education programs by:

- (1) Requiring the Department of Education (DOE) to assist in the expansion of the pre-plus program by identifying unused facilities or sites for classrooms;
- (2) Establishing a temporary task force within DOE to review the progress of early childhood education programs in the state, including:
 - (a) Investigating the effects of state subsidization of these programs;
 - (b) Starting the development of an Office of Early Childhood Education; and
 - (c) Conducting a study of the impact on private providers if the state lowers the age requirement for entrance into a public school junior kindergarten;
- (3) Requiring the Department of Human Service (DHS) to work with the counties to develop procedures to streamline the permit process for early childhood education facilities;
- (4) Appropriating funds to DOE for facility renovations and classroom supplies; and
- (5) Appropriating funds to DOE for supplemental training for early childhood education teachers and staff.

DHS, Seagull Schools, and Keiki O Ka 'Aina Family Learning Centers testified in support of this bill. Good Beginnings Alliance supported the intent of this measure. DOE supported the intent of this bill with amendments.

Your Committees have amended this bill by:

- (1) Removing the requirement that DOE conduct facility inspections of early childhood education programs;
- (2) Deleting provisions that establish the temporary task force to review the progress of early childhood education programs in Hawaii;
- (3) Removing the requirement that DHS work with the counties to develop procedures to streamline the permit process for early childhood education facilities; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Education and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1634, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1634, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Stonebraker.

SCRep. 1225 Education/Higher Education on S.B. No. 1394

The purpose of this bill is to support the needs of military children and families by:

- (1) Requiring the Department of Education (DOE) to consult with the Joint Venture Education Forum to establish a priority listing of public schools that are impacted by a large population of military dependent students;
- (2) Directing the University of Hawaii (UH) to establish a readmission program for military personnel returning from deployment; and
- (3) Appropriating funds to DOE for additional staff, child care services, and vocational training and retraining in schools with a significant population of military dependent students.

UH, The Chamber of Commerce of Hawaii, the Hawaii National Guard Enlisted Association, Hawaii National Guard Association, and a concerned individual testified in support of this bill. DOE supported the intent of this measure.

Your Committees have amended this bill by changing the effective date to July 1, 2050, to encourage further discussion.

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. 1394, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1394, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla and Waters.

SCRep. 1226 Education/Higher Education on S.B. No. 1642

The purpose of this bill is to improve teacher quality and help relieve the state's teacher shortage. Specifically, this bill:

- (1) Creates a special fund and appropriates funds to support the Teacher Cadet Program;
- (2) Appropriates funds to support the establishment of a two-year associate of arts teaching program at Leeward Community College;
- (3) Supports the students and faculty in the University of Hawaii (UH) College of Education, including:
 - (a) Requiring UH to review its admission policies for the UH College of Education;
 - (b) Appropriating funds for additional faculty positions at UH; and
 - (c) Establishing and appropriating funds for the Educator Loan Forgiveness Program;
- (4) Improves matters relating to the employment of newly hired teachers, including:
 - (a) Requiring schools to finalize teacher hiring before the end of the preceding fiscal year;
 - (b) Ensuring that new hires of the Department of Education (DOE) are paid in a timely manner and allowing payments of partial wages to mitigate the financial hardships created by delayed paychecks;
 - (c) Providing all newly hired teachers with a new teacher orientation handbook to assist in their transition into the DOE system;
 - (d) Establishing and appropriating funds for a Standardized Statewide Teacher Induction Program to mentor new teachers; and
 - (e) Appropriating funds for equipment, supplies, and transportation for DOE;
- (5) Facilitates the licensure of employees entering the DOE system by expanding the methods by which individuals may become licensed;
- (6) Establishing various initiatives and appropriating funds for professional development schools and programs for teachers, including creating the Educational Incentive Program to reimburse certain fees such as those paid for tuition and textbooks, by Hawaii-resident public school teachers who pursue professional development coursework;
- (7) Establishing various initiatives and appropriating funds to improve teacher retention;
- (8) Offering various tax incentives designed to recruit and retain teachers; and
- (9) Offering various incentives for teachers to improve their skills, including incentives to:
 - (a) Become master teachers who can serve as resources for other teachers; and
 - (b) Pursue National Board Certification.

DOE testified in support of this bill. A concerned individual supported this measure in part. UH and the Hawaii State Teachers Association supported the intent of this bill. The Department of Taxation opposed this measure. The Department of Budget and Finance, Hawaii Teacher Standards Board (HTSB), Tax Foundation of Hawaii, and a concerned individual offered comments.

Your Committees have amended this bill by:

- (1) Clarifying that UH shall increase its faculty by five additional full-time equivalent teacher education faculty positions each year until fiscal year 2015, only if recruitment to the college of education warrants the need for additional faculty;
- (2) Deleting the provisions creating the Educator Loan Forgiveness Program, since this program already exists;
- (3) Removing the requirement that DOE work with HTSB and other Hawaii teacher education institutions to use performance portfolio assessments during the induction period for newly hired teachers;
- (4) Requiring HTSB to report to the legislature on its policies and progress relating to teacher licensing; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, 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. 1642, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1642, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla and Waters.

SCRep. 1227 Education/Labor & Public Employment on S.B. No. 1643

The purpose of this bill is to improve public education through the operation of new century charter schools by clarifying and strengthening the laws that govern them. Specifically, this bill:

- (1) Improves the new century charter school laws pertaining to their establishment, relationship with the Department of Education (DOE) and DOE schools, weighted student formula, personnel, and accountability;
- (2) Ensures more equitable and stable funding for the basic operations of new century charter schools by establishing and appropriating funds for a per pupil allocation funding mechanism based on the consolidated annual financial report and on known, quantifiable, supplemental requirements;
- (3) Allows new century charter school employees to participate in the State's worker' compensation system;
- (4) Enables DOE charter schools to receive federal grant moneys under the Individuals with Disabilities Education Act (IDEA); and
- (5) Clarifies the administrative hearing procedures relating to the education of handicapped children.

The Hawaii Charter Schools Network, Inc., Ho'okako'o Corporation, and many concerned individuals testified in support of this bill. The Kamehameha Schools, Hawaii State Teachers Association, and many concerned individuals supported the intent of this measure. Many concerned individuals supported this bill with amendments. The Governor's administration, DOE, Charter School Administrative Office (CSAO), Department of Human Resources Development, and Hawaii Government Employees Association offered comments.

Your Committees have amended this bill by:

- (1) Deleting certain unnecessary language in the purpose section of Part I relating to the accountability of new century charter schools;
- (2) Clarifying the purpose of Part II of the bill, relating to accountability, personnel, and the weighted student formula of new century charter schools, to reflect amendments to the bill;
- (3) Clarifying that the plan to be developed by the local school board shall include the governance structure of the new century charter school that incorporates a conflict of interest policy, but not a conflict of interest policy specifically for school employees serving on the local school board;
- (4) Requiring the State to afford administrative, support, and instructional staff in charter schools full participation in the State's retirement, workers' compensation, unemployment insurance, temporary disability insurance, and health benefits systems;
- (5) Requiring DOE, to the extent possible, to provide its position listings to CSAO and any interested local school board of any new century charter school, rather than afford the local school board of any new century charter school full participation in the DOE and other departmental personnel position listings;
- (6) Deleting the requirement that DOE provide credit for service to administrative, support, and instructional staff in charter schools equal to service in DOE schools;
- (7) Specifying that the provisions relating to movement of personnel between DOE and new century charter schools pertain to instructional staff and not all employees;
- (8) Allowing a charter school two years to bring student performance into compliance with statewide standards, and one year to improve the school's fiscal accountability and to conform with the components of the charter, after the school is placed on probationary status;
- (9) Clarifying that a nonprofit organization may submit a letter of intent to the Board of Education to operate and manage the new century charter school;
- (10) Providing that if, at any time, the board of directors of the nonprofit organization governing the new century conversion charter school votes to discontinue its relationship with the charter school, the charter school may submit an application to the board to continue as a conversion school without the participation of the nonprofit organization;
- (11) Prohibiting a chief executive officer, chief administrative officer, executive director, or otherwise designated head of a school from serving as the chair, rather than an officer, of the local school board;
- (12) Deleting the provisions establishing the working group to review the state Auditor's recommendations regarding the charter schools' exemptions from state laws;

- (13) Creating and appropriating funds for the Task Force on Charter School Governance to identify and recommend to the Legislature revisions to the existing charter school law and to help create an effective framework for overseeing and supporting new and existing charter schools;
- (14) Amending the provisions relating to the per pupil allocation of new century charter schools by:
- (a) Requiring that the per pupil allocation to schools be based on figures reflected in the most recently enacted DOE budget;
 - (b) Requiring that the CSAO's request for general fund appropriations for each school also be based on fringe benefit costs that must be included in the Department of Budget and Finance's annual budget request;
 - (c) Removing the provision that prohibits deductions from the per pupil allocation without the written approval of the executive director of CSAO, and instead prohibiting fringe benefit costs from being charged directly to or deducted from the school's per pupil allocations;
 - (d) Allowing the Legislature to make additional appropriations for collective bargaining increases for charter school employee members of collective bargaining units;
 - (e) Allowing, rather than requiring, the Legislature to make additional appropriations for fringe, workers' compensation, and other employee benefits, facility costs, and other requested amounts;
 - (f) Requiring the Department of Budget and Finance to transfer additional funds to Education 600 for schools in which student enrollment exceeds the schools' projected enrollment;
 - (g) Requiring CSAO to transfer from Education 600 to the Department of Budget and Finance any excess per pupil allocations for schools in which verified student enrollment is lower than their projected student enrollment;
 - (h) Appropriating \$39,500,200, for fiscal year 2005-2006, and \$45,550,416 for fiscal year 2006-2007, for the per pupil allocations to new century charter schools; and
 - (i) Appropriating funds for charter school fringe benefits;
- (15) Clarifying that the funds appropriated to allow new century charter school employees to participate in the State's worker' compensation system shall include payment of all previous unpaid workers' compensation claims incurred by new century charter schools;
- (16) Clarifying that the purpose of Part V of the bill is to ensure compliance with federal regulations under IDEA, but not to enable DOE charter schools to receive federal grant moneys; and
- (17) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1643, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1643, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Hale, Souki and Waters.

SCRep. 1228 Education/Labor & Public Employment on S.B. No. 1661

The purpose of this bill is to improve public education in the state by:

- (1) Allowing the Department of Education (DOE) to carry over unencumbered appropriations, except those that fund financing agreements entered into pursuant to chapter 37D, Hawaii Revised Statutes;
- (2) Requiring the department to convert principal positions to twelve-month status; and
- (3) Appropriating funds to:
 - (a) Subsidize information systems projects;
 - (b) Provide for additional support personnel and training;
 - (c) Provide two additional data processing systems analyst IV and three additional data processing systems analyst V positions in fiscal year 2006-2007; and
 - (d) Continue the implementation of Act 51, Session Laws of Hawaii 2004.

DOE, the Hawaii Business Roundtable, Hawaii State Teachers Association, and many principals from public schools in the state testified in support of this bill. The Department of Human Resources Development and Hawaii Government Employees Association supported the intent of this measure.

Your Committees have amended this bill by:

- (1) Supporting children with disabilities and their families and enabling DOE to efficiently address issues relating to providing a free, appropriate public education to children with disabilities by:
 - (a) Specifying the time period within which a hearing shall be requested by a parent or guardian of a handicapped child, or by the department, on matters relating to the identification, evaluation, program, or placement of a handicapped child; and
 - (b) Exempting the parent or guardian of a handicapped child from time limits on requesting a hearing, when the failure to request the hearing was due to the misrepresentation or withholding of information by the department;

and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1661, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1661, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Hale, Souki, and Waters.

SCRep. 1229 Economic Development & Business Concerns on S.B. No. 1721

The purpose of this measure is to promote cultural awareness and stimulate business and commercial activities, particularly for local farmers, businesses, manufacturers, artists, and entertainers by establishing a permanent cultural public market on at least ten acres of state-owned land in the Kakaako Makai area of the Kakaako community development district in the City and County of Honolulu.

The Office of Hawaiian Affairs supported this bill. The Department to Business, Economic Development & Tourism and Hawaii Community Development Authority supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2005; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1721, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1721, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1230 Higher Education on S.B. No. 1747

The purpose of this bill is to help the Harold L. Lyon Arboretum (Lyon Arboretum) reach its potential as a research, scientific, and educational institution by appropriating funds for the repair, maintenance, and operation needed to address health and safety concerns resulting from decades of neglect.

The Lyon Arboretum Community Steering Committee, Na Leo Pohai, and many concerned individuals testified in support of this bill. The University of Hawaii and Hawaii Government Employees Association, HGEA/AFSCME, Local 152, AFL-CIO, supported the intent of this measure.

Your Committee finds that Lyon Arboretum is Hawaii's premiere repository for rare and endangered native Hawaiian plants, and the only biological field research facility in a tropical rainforest owned and operated by a university in the United States. As such, your Committee believes that Lyon Arboretum deserves the financial support provided by this bill.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1747, 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 Arakaki and Cabanilla.

SCRep. 1231 Higher Education on S.B. No. 1648

The purpose of this bill is to support our military forces by appropriating funds to provide tuition assistance to members of the Hawaii National Guard who are undergraduate students working toward degrees on any University of Hawaii (UH) campus.

UH, The Chamber of Commerce of Hawaii, and Hawaii National Guard Association testified in support of this bill. Two concerned individuals supported this measure with amendments. The Department of Defense supported the intent of this bill.

Your Committee has amended this bill by, among other things:

- (1) Providing tuition refunds for qualifying children of certain law enforcement, firefighting, emergency medical services, water safety, and air ambulance services personnel; Hawaii veterans; and other first responders who are killed in the line of duty;
- (2) Providing tuition refunds to the following persons who are unable to attend college for more than 30 days in a semester as a result of their military duties:
 - (a) Members of the Hawaii National Guard or military reserves who are called into active duty; and
 - (b) Active-duty military personnel;and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1648, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1648, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1232 Higher Education on S.B. No. 244

The purpose of this bill is to establish a Long-term Care Resource Program Initiative at Kapiolani Community College (KCC) to accommodate a broader range of home- and community-based long-term care for the elderly.

The Policy Advisory Board for Elder Affairs, ILWU Local 142, Alzheimer's Association – Aloha Chapter, and a concerned citizen testified in support of this bill. The Department of Health and KCC supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 244, S.D. 2, and recommends that it be referred to the Committee on Finance.

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

SCRep. 1233 Higher Education on S.B. No. 1038

The purpose of this bill is to promote and develop a professional procurement workforce, improve contract opportunities for private sector contractors, and promote excellence in procurement accountability and administration for the public sector by:

- (1) Removing oversight of the Procurement Institute from the State Procurement Office; and
- (2) Establishing and appropriating funds for the Procurement Institute at the William S. Richardson School of Law of the University of Hawaii (UH).

The Chamber of Commerce of Hawaii, the Hawaii Procurement Institute, and a concerned individual testified in support of this bill. The Department of Accounting and General Services supported the intent of this measure. The State Procurement Office offered comments.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1038, S.D. 2, and recommends that it be referred to the Committee on Finance.

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

SCRep. 1234 Higher Education on S.B. No. 1451

The purpose of this bill is to improve water quality at Lake Wilson by appropriating funds for the two-phased constructed wetlands designs for the Lake Wilson pilot demonstration project (Project) by the University of Hawaii's (UH's) Center for Conservation Research and Training (Center). Specifically, this bill requires the Center:

- (1) In phase 1 to prepare a comprehensive watershed management plan to develop the best strategies to manage water quality problems in Lake Wilson; and
- (2) In phase 2, to identify and secure federal and other funding to coordinate implementation of the Project.

ILWU Local 142 and a concerned individual supported this bill with amendments. UH and the Department of Health supported the intent of this measure. The UH Environmental Center and the Center offered comments.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1451, 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 Berg, Hale and Takumi.

SCRep. 1235 Higher Education on S.B. No. 1461

The purpose of this bill is to help conserve natural resources while addressing human needs by appropriating funds for a pilot project for the Kaiaka Bay, Oahu, watershed assessment and action plan, to serve as a model for statewide use.

The Haleiwa Community Gardens Association, Resource Management Systems, LLC, and many concerned individuals testified in support of this bill. The University of Hawaii (UH) supported this measure with budgetary concerns. The Hawaii Forest Industry Association supported this bill with amendments. The Department of Health supported the intent of this bill. The UH Environmental Center offered comments.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1461, 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 Berg, Hale and Takumi.

SCRep. 1236 Higher Education on S.B. No. 1474

The purpose of this bill is to support national and international astronomy programs while protecting natural and cultural resources by directing the Legislative Reference Bureau (LRB) to:

- (1) Conduct a study on matters relating to the project approval and decision-making process for the management of the Mauna Kea Science Reserve; and
- (2) Conduct a study to determine the feasibility, desirability, and necessity of creating a new management authority whose responsibility shall be to maintain, operate, and manage the Mauna Kea Science Reserve and its attached facilities.

The Office of Hawaiian Affairs, KAHEA, Mauna Kea Anaina Hou, Royal Order of Kamehameha I, and several concerned individuals testified in support of this bill. The Japanese Chamber of Commerce and Industry of Hawaii and Hawaii Island Chamber of Commerce opposed this measure. The Department of Land and Natural Resources, University of Hawaii, and LRB offered comments.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1474, 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 Berg, Hale and Takumi.

SCRep. 1237 Higher Education on S.B. No. 1554

The purpose of this bill is to help protect Hawaii's natural environment by establishing and appropriating funds for the Environmental Workforce Program to assist the counties in their fight against invasive species.

A member of the Maui County Council and The Nature Conservancy testified in support of this bill. The Hawaii Pest Control Association supported this measure with amendments. The Department of Land and Natural Resources supported the intent of this bill. The University of Hawaii Environmental Center offered comments.

The Environmental Workforce Program is urged to work together with members of the private structural pest control industry. The industry can share its experience in protecting structures from pests, including invasive species such as fire ants.

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. 1554, 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 Berg, Hale and Takumi.

SCRep. 1238 Higher Education on S.B. No. 1065

The purpose of this bill is to revitalize Hawaii's agricultural industry by appropriating funds for, among other things:

- (1) The continued development of high-value agricultural products;
- (2) A breeding program to provide new agricultural products;
- (3) An assessment of local and export markets;
- (4) The development of industry assessments; and
- (5) Disease prevention programs;

provided that the appropriation is added to the base budget of the University of Hawaii (UH).

The Department of Agriculture, Board of Advisors of the College of Tropical Agriculture and Human Resources at the University of Hawaii at Manoa, a member of the Hawaii County Council, Pineapple Growers Association of Hawaii, Hawaii Agricultural Research Center, Hawaii Crop Improvement Association, Hawaii Farm Bureau Federation, Big Island Farm Bureau, Big

Island Candies, Inc., Aloun Farms, and Hawaiian Commercial & Sugar Company testified in support of this bill. The Maui County Farm Bureau supported this measure with amendments. UH supported this bill with budgetary concerns. The Hawaii Organic Farmers Association, Tropical Orchid Farm, Inc., and numerous concerned individuals opposed this measure.

Your Committee has amended this bill by:

- (1) Expanding its scope to include organic agriculture programs within the UH system, such as the Organic Agriculture Center at Leeward Community College, and appropriating funds;
- (2) Appropriating additional funds for fiscal year 2006-2007 to achieve the purposes of this bill; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1065, 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. 1065, S.D. 2, H.D. 1.

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

SCRep. 1239 Public Safety & Military Affairs on S.B. No. 826

The purpose of this bill is to expand the list of persons who are authorized to take a victim of child abuse into protective custody and are required to report cases of child abuse.

Specifically, this bill adds to this list employees and officers with law enforcement power authorized by the Director of Public Safety and investigators appointed by the Attorney General.

Your Committee received testimony in support of this bill from the Department of Public Safety.

Your Committee finds that the addition of officers and employees of the Department of Public Safety with law enforcement powers to those who are required to report cases of child abuse to the Department of Human Services will improve the efficiency of law enforcement services. By clarifying that initial reports from these state law enforcement officers are as valid as initial reports from county police officers, the Department of Human Services will no longer need to have the state law enforcement officer initially contact a county police officer before responding to a report of child abuse.

Your Committee has amended this bill by deleting investigators appointed by the Attorney General from the additions made to the list of persons who are required to report cases of child abuse and who have the authority to take a victim of child abuse into custody. Your Committee also amended the effective date to July 1, 2010, for the purpose of stimulating further discussion.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 826, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 826, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Nakasone, Souki and Stonebraker.

SCRep. 1240 Public Safety & Military Affairs/Labor & Public Employment on S.B. No. 825

The purpose of this bill is to allow deputy sheriffs and the sheriff division administrator, including class H members, within the Department of Public Safety to retire after twenty-five years of credited service with retirement benefits similar to those afforded other law enforcement and safety officers, unreduced for age.

This bill adds a definition of "deputy sheriff" to include those in the position of deputy sheriff I to V or the sheriff division administrator. The twenty-five years of credited service must have been obtained on or after July 1, 2005, of which the last five or more years prior to retirement must be credited service as a deputy sheriff or sheriff division administrator.

Your Committees received testimony in support of this bill from the Department of Public Safety. The Employees' Retirement System submitted comments.

Your Committees has amended this bill by substituting the phrase "unreduced for age" for "regardless of age" in the bill's description and by changing the effective date to July 1, 2009, for the purposes of stimulating further discussion.

As affirmed by the records of votes of the members of your Committees on Public Safety & Military Affairs and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 825, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 825, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Shimabukuro, Souki, Meyer and Stonebraker.

SCRep. 1241 Public Safety & Military Affairs/Labor & Public Employment on S.B. No. 828

The purpose of this measure is to entitle corrections officers who terminate from public employment with twenty-five years of credited service to receive retirement benefits unreduced for age, provided that the corrections officer works as a corrections officer for the last five years of employment.

Your Committees find that the benefits provided under this measure will tend to place corrections officers on par with other law enforcement and safety personnel.

Testimony in support of the measure was received from the Department of Public Safety, the United Public Workers-AFSCME Local 646-AFL-CIO, and twelve adult corrections officers. Comments on the measure were received from the Employees' Retirement System.

Your Committees have amended this measure by substituting the phrase "unreduced for age" for "regardless of age" in the bill's description and by changing the effective date to July 1, 2009, in order to promote further discussion of the matter.

As affirmed by the records of votes of the members of your Committees on Public Safety & Military Affairs and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 828, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 828, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Shimabukuro, Souki, Meyer and Stonebraker.

SCRep. 1242 Public Safety & Military Affairs/Labor & Public Employment on S.B. No. 1190

The purpose of this measure is to exempt the salaries and wages received by police officers from the state income tax.

Your Committees find that retention of trained and experienced police officers continues to be a critical problem for law enforcement officials. Every year mainland municipalities deplete the ranks of Hawaii's various county police departments with offers of higher salaries that result in a police force operating at less than full capacity. This condition places the safety of the general public at risk. Police services that are otherwise provided under the presence of a full contingency of officers are necessarily cutback, resulting in the inability of police to immediately respond to the needs of the public.

To assist police officers and to encourage them to remain in their present positions, this measure exempts salaries received by police officers from the state income tax. Inasmuch as your Committees agree with the intent of this measure, your Committees believe that further discussion on this issue is necessary. Therefore, your Committees have amended the measure to provide an income tax exemption for police officers equal to an unspecified percentage of their salaries and wages.

As affirmed by the records of votes of the members of your Committees on Public Safety & Military Affairs and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1190, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1190, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Shimabukuro, Souki, Meyer and Stonebraker.

SCRep. 1243 Human Services/Health on S.B. No. 1022

The purpose of this bill is to expand services to individuals receiving medical assistance by providing chiropractic coverage under Medicaid and QUEST.

The Hawaii State Chiropractic Association and several concerned individuals testified in support of this bill. The Department of Human Services (DHS) supported the intent of this measure with budgetary concerns.

Your Committees find that while many insurance plans cover chiropractic care, Medicaid recipients do not have chiropractic benefits. One testifier stated that in 1998, chiropractic services were part of the Medicaid program in at least 25 states.

Your Committees received testimony stating that there appears to be little fluctuation in the percentage of total payments per year for chiropractic services, and that the maximum number of treatments per year seemed to have little or no effect on costs. Your Committees respectfully request DHS to further analyze the potential costs of providing chiropractic coverage to recipients of Medicaid and QUEST.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1022, 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 Representative Stonebraker.

SCRep. 1244 Human Services/Health on S.B. No. 802

The purpose of this bill is to establish a State Pharmacy Assistance Program (Program) to assist eligible elderly and disabled individuals in defraying the cost of prescriptions under the new federal Medicare part D drug benefit program.

The Department of Human Services (DHS), Department of Health, and AARP Hawaii testified in support of this bill. The Pharmaceutical Research and Manufacturers of America opposed this measure.

Your Committees recognize that the rapidly increasing costs of prescription drugs have especially affected the low-income elderly and disabled populations. The Legislature has already taken steps to address the affordability of prescription drugs for low-income individuals through the establishment of the Hawaii Rx Plus Program (Rx Plus). Your Committees respectfully request DHS to consider the possibility of including the Rx Plus population within the Program.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 802, 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 Kawakami and Stonebraker.

SCRep. 1245 Human Services on S.B. No. 556

The purpose of this bill is to promote shared parenting in custody determinations, when it is in the best interests of the child, by:

- (1) Requiring that a parenting plan be developed when custody of children is contested;
- (2) Requiring the court to order divorcing parties who cannot agree on a parenting plan to participate in alternative dispute resolution or counseling;
- (3) Ensuring that custody determinations be awarded in a manner that ensures contact with both parents whenever possible;
- (4) Allowing the court to appoint a custody evaluator or investigator, in addition to a guardian ad litem, to represent the interests of the child; and
- (5) Requiring the guardian ad litem, custody evaluator, or investigator to notify the court if the child expresses a preference to remain with one parent.

The Hawaii Psychological Association, Children's Rights Council – Hawaii Chapter, Children's Rights Council, and several concerned individuals testified in support of this bill. The Domestic Violence Clearinghouse and Hotline provided testimony in tentative support of this measure. Several individuals supported this bill with amendments. The Legal Aid Society of Hawaii, Hawaii State Coalition Against Domestic Violence, and a concerned individual provided comments.

Your Committee recognizes the importance of both parents taking an active role in the lives of their children in situations where the parents are divorced or separated, as long as it is in the best interests of the child. Shared parenting would ease pressure on minor children to choose one parent over the other in an already high-stress situation, and would also relieve parents of the burden of having to relinquish legal and physical custody of their child.

Your Committee notes that there have been many ongoing concerns over the past several years with the Family Court system, and encourages the courts to focus on protecting and supporting families, and most importantly on the best interests of the children involved in Family Court proceedings.

Your Committee further recognizes that there are situations where domestic violence is involved, and all parties need to be cognizant of the fact that the focus should be on the best interests of the child, and not the needs of adults. Mandating counseling, particularly if domestic violence is involved, is of concern to many testifiers.

Accordingly, your Committee has amended this bill by:

- (1) Inserting provisions that the parenting plan may also include provisions for other means of communication, right of first refusal procedures, expense-sharing, and methods for changing or enforcing the parenting plan;
- (2) Removing the requirement that the court order divorcing parties to participate in alternative dispute resolution or counseling;
- (3) Requiring the court to develop and file a detailed parenting plan when the divorcing parties are unable to mutually develop and agree upon a parenting plan and allowing the court to revise and amend the parenting plan;
- (4) Requiring the court to make written findings for every order issued that relates to disputed child custody, including those applying to or rebutting any statutory presumptions;
- (5) Making the following revisions to the court's considerations in awarding custody to one or both parents:
 - (A) Replacing "developmentally appropriate" contact with "meaningful" contact;
 - (B) Replacing "direct physical or significant emotional harm" that a parent may suffer from the other parent with the consideration of which parent is more likely to allow the child frequent, continuing, and meaningful contact with the other parent, or capable of encouraging or accepting a relationship between the child and the other parent; and
 - (C) Deleting the "normal breastfeeding routine" consideration and making it an item in the parenting plan;
- (6) Requiring the guardian ad litem, custody evaluator, or investigator to notify the court of a child's preference regarding a parenting plan, rather than preference to remain with one parent;
- (7) Creating a rebuttable presumption that joint custody is in the best interests of the minor child, where either parent or a party seeks joint custody in an annulment, divorce, or separation action; and
- (8) Making other technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 556, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 556, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1246 Human Services on S.B. No. 475

The purpose of this bill is to provide public assistance recipients with adequate income by:

- (1) Adjusting the standard of need as determined by the federal poverty level for an unspecified year;
- (2) Clarifying that households with minor dependents be included in determining amounts of payment;
- (3) Including the aged, blind, and disabled in determining amounts of payment; and
- (4) Providing that determinations of general assistance (GA) allowances be based on standard of need, among other factors, rather than on the total appropriations for GA.

The National Association of Social Workers, Welfare and Employment Rights Coalition, Hawaii State Coalition Against Domestic Violence, Legal Aid Society of Hawaii, The League of Women Voters of Hawaii, and numerous concerned individuals testified in support of this bill. The Department of Human Services does not support this measure.

Your Committee recognizes that this measure is long overdue since it has been 12 years since the last increase in the standard of need. Hawaii's needy families are unable to keep up with the cost of living on payments they currently receive and with the restrictions placed on GA.

Your Committee has amended this bill by:

- (1) Requiring that the standard of need be determined by an unspecified percentage of the federal poverty level for the current year; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 475, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 475, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1247 Human Services on S.B. No. 486

The purpose of this bill is to establish safe, structured learning environments for children and youth during nonschool-hours by appropriating general funds and Temporary Assistance for Needy Families (TANF) funds for nonschool-hour programs.

The Hawaii Youth Services Network, Hawaii Juvenile Justice Project, Coalition For A Drug-Free Hawaii, and Blueprint for Change testified in support of this bill. The Department of Education supported the intent of this measure. The Attorney General and Department of Human Services (DHS) provided comments.

Your Committee recognizes that many of Hawaii's youth are on their own in the after-school hours, when rates of juvenile crime, drug use, and sexual activity among adolescents are at their peak. Youth who participate in after-school programs have a significantly lower risk of participating in criminal activity and other risky behavior, and reap the rewards of positive socialization and interaction.

Your Committee has amended this bill by:

- (1) Specifying that the funds appropriated from TANF funds are to be expended by DHS;
- (2) Specifying that TANF funds be used specifically for the purposes allowed under federal guidelines; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 486, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 486, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1248 Human Services on S.B. No. 1780

The purpose of this bill is to continue to support the role of fathers in raising children by:

- (1) Extending the State Commission on Fatherhood (Commission) to June 30, 2007;
- (2) Transferring the Commission from the Office of the Lieutenant Governor to the Department of Human Services (DHS); and
- (3) Appropriating funds from the Temporary Assistance for Needy Families (TANF) program to the Commission.

The Commission and Hawaii Coalition for Dads testified in support of this bill. DHS provided comments.

Your Committee recognizes the importance of the role fathers play in raising their children and in the health and well-being of the family as a whole. The Commission expressed that it only recently started to hold meetings because of delays caused by the commissioner nomination process and a lack of funding, and it is now focusing on carrying out its duties. DHS stated that they are in support of extending the sunset date of the Commission, but have concerns about the use of TANF funds for the purposes of the Commission.

Your Committee respectfully requests the Committee on Finance to determine whether TANF funds can be used, and notes that the Commission is asking for only \$50,000.

Accordingly, your Committee has amended this bill by:

- (1) Appropriating funds from the general fund instead of the TANF program; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1780, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1780, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1249 Human Services on S.B. No. 1750

The purpose of this bill is to promote openness in government and proper implementation of the Temporary Assistance for Needy Families (TANF) program by requiring the Legislature to:

- (1) Conduct joint oversight hearings relating to the implementation of programs funded by TANF moneys; and
- (2) Evaluate the implementation of TANF programs and fund expenditures and make annual recommendations for appropriations.

The National Association of Social Workers, Welfare and Employment Rights Coalition, and a concerned individual testified in support of this bill. The Department of Health opposed this measure. The Department of Human Services and Attorney General provided comments.

Your Committee recognizes the benefits of the TANF program to many needy families in Hawaii. To ensure that Hawaii is fulfilling the federal requirements set forth for the expenditure of TANF funds, legislative oversight is necessary to make certain that TANF-funded programs are being appropriately implemented and TANF funds are being spent at its optimal level.

Your Committee has amended this bill by:

- (1) Specifying that the Senate committees on Ways and Means, Health, and Human Services and House of Representatives committees on Finance, Health, and Human Services shall have joint legislative oversight responsibilities;
- (2) Authorizing legislative oversight over the application for Medicaid waivers; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1750, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1750, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1250 Judiciary on S.B. No. 620

The purpose of this bill is to improve the administration of the State Council for Interstate Adult Offender Supervision (Council) by, among other things:

- (1) Establishing the duties and responsibilities of the Council's compact administrator;
- (2) Limiting the terms of members of the Council to four years, with the exception of the Director of Public Safety or the Director's designee;
- (3) Prohibiting persons from being appointed to the Council for more than two consecutive terms; and
- (4) Clarifying that the Council shall have the authority to appoint a deputy compact administrator for parole from the Hawaii Paroling Authority and a deputy compact administrator for probation from the Judiciary to cast a vote on behalf of the State at meetings of the Interstate Commission for Adult Offender Supervision in which the compact administrator is absent.

The Hawaii Paroling Authority and the Judiciary supported this bill.

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. 620, S.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Kanoho and Sonson.

SCRep. 1251 Judiciary on S.B. No. 1256

The purpose of this bill is to improve the governance of the University of Hawaii (UH) by proposing a constitutional amendment modifying the appointment process for the UH Board of Regents.

The UH Student Caucus and several concerned individuals supported this bill. UH provided comments.

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. 1256 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Kanoho and Sonson.

SCRep. 1252 Judiciary on S.B. No. 128

The purpose of this bill is to enhance the regulation of medical marijuana by:

- (1) Adjusting the limit of marijuana a qualified patient may possess from seven to five plants and from one ounce to three ounces of usable marijuana;
- (2) Establishing a procedure to determine additional debilitating conditions for which medical marijuana may be prescribed;
- (3) Increasing the requirements to qualify to legally possess and use marijuana for medical purposes; and
- (4) Expanding the number or qualifying patients to whom a primary caregiver may administer medical marijuana from one to not more than three qualified patients at any given time.

The Drug Policy Forum of Hawaii, Drug Policy Action Group, Women's Coalition, and several individuals supported this bill. A concerned individual supported this measure with amendments. The Department of Public Safety and City and County of Honolulu's Department of the Prosecuting Attorney supported the intent of this measure. The Department of Health and Honolulu Police Department opposed this bill.

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. 128, 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, Kanoho and Sonson.

SCRep. 1253 Judiciary on S.B. No. 1257

The purpose of this bill is to improve the governance of the University of Hawaii (UH) by, among other things:

- (1) Improving the process of appointing the members of the UH Board of Regents (Board) by establishing a Candidate Advisory Council to determine criteria for, screen, and propose qualified candidates for the Governor from which to choose;
- (2) Changing the number of Board members from 12 to 11;
- (3) Removing the stipulation that no more than six members of the Board may be members of the same political party; and
- (4) Providing for geographic representation on the Board; and
- (5) Increasing the term of service of Board members from four years to five but limiting the number of consecutive terms served to two.

A concerned individual supported this bill. UH provided comments.

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. 1257, 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 Caldwell, Herkes and Sonson.

SCRep. 1254 Judiciary on S.B. No. 117

The purpose of this bill is to promote the development of affordable housing in West Maui by allowing affordable housing requirements for certain undeveloped parcels of land in Pu'u'ukoli'i Village to be established by agreement among the developer, Housing and Community Development Corporation of Hawaii (HCDCH), and the appropriate Maui county agency. In addition, this

bill establishes that the affordable housing requirement shall include housing that is affordable to households earning up to 100 percent of the county median income.

Ka'anapali Development Corp., supported this bill and suggested amendments. HCDCH supported the intent of this bill.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2020, to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, 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. 117, 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. 117, H.D. 2.

Signed by all members of the Committee except Representatives Herkes, Kanoho and Sonson.

SCRep. 1255 Judiciary on S.B. No. 791

The purpose of this bill is to provide therapeutic and rehabilitative services in a residential setting and ensure that housing is available for people recovering from substance abuse by allowing the Department of Health (DOH) to license special treatment facilities and therapeutic living programs.

DOH and Honolulu Police Department testified in support of this bill. The Office of the Lieutenant Governor supported this measure with amendments. Oxford House, Inc. testified in opposition to this bill. The Hawaii Disability Rights Center provided comments.

Your Committee finds that the availability of appropriate settings for persons recovering from substance abuse is lacking in Hawaii and that it is in the best interest of the public to establish continuum of care services and settings within the community.

Although there were some concerns raised as to what constituted a "permitted" versus "conditional" use with regards to a "clean and sober home," your Committee heard testimony that clarified that a home of less than five residents is considered a "permitted use" under current county ordinances and that a home with five or more residents is considered a "conditional use" subject to county approval.

Your Committee has amended this measure by making technical, nonsubstantive amendments for clarity, 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. 791, 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. 791, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Herkes, Kanoho and Sonson.

SCRep. 1256 Judiciary on S.B. No. 1586

The purpose of this bill is to conform the statutes relating to the Board of Water Supply of the County of Hawaii (Board) to the provisions of the Hawaii County Charter by:

- (1) Changing the method of appointing members to the Board, limitations on who may be appointed, and the method of removing members;
- (2) Allowing the Board to appoint a manager of the Board without the advice and consent of the county council;
- (3) Allowing the Board to acquire property in its name; and
- (4) Repealing the requirement that the Board present annual reports to the county council.

This bill also allows the vice-chairperson of the Board to execute contracts, documents of transfer, and vouchers for monetary disbursements.

The County of Hawaii (County) Office of the Corporation Counsel testified in support of this bill.

Your Committee has amended this bill by repealing all of the provisions relating to the Board (part III, chapter 54, Hawaii Revised Statutes) on January 1, 2007. This repeal date will provide sufficient time for the County to adopt its own ordinances to regulate the Board, thereby shifting this jurisdiction from the State to the County.

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. 1586, 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. 1586, H.D. 2.

Signed by all members of the Committee except Representatives Herkes, Kanoho and Sonson.

SCRep. 1257 Judiciary on S.B. No. 440

The purpose of this bill is to strengthen the campaign spending law by, among other things:

- (1) Prohibiting campaign fundraising on state or county property, except for government facilities permitting political use, and providing that a violation of this prohibition is a misdemeanor;
- (2) Limiting contributions from nonresident individuals and persons, including a noncandidate committee, to no more than 30 percent of the total contributions received by a candidate or candidate's committee during an election period;
- (3) Restricting campaign contributions by banks or corporations to contributions made from separate segregated funds;
- (4) Reducing from ten years to four years the length of time that the county clerks must keep campaign reports;
- (5) Requiring candidates for the Senate, House of Representatives, and Office of Hawaiian Affairs (OHA) to file reports electronically with the Campaign Spending Commission (CSC);
- (6) Providing that candidates or their committees without access to a computer or the Internet may request a waiver from the requirement of filing electronic reports with CSC;
- (7) Removing the ability of candidates or candidate's committees to contribute campaign contributions to community and charitable organizations;
- (8) Limiting contributions made by any person or entity to no more than \$25,000 in the aggregate to any number of candidates in an election period, except for loans made to a candidate by a financial institution in the ordinary course of business;
- (9) Specifying that a noncandidate committee's contribution limits are the same as those for a person or any other entity;
- (10) Requiring any excess contribution to be returned to the original donor within 30 days of receipt, or the excess amount will escheat to the Hawaii Election Campaign Fund (Campaign Fund);
- (11) Reducing from \$50,000 to \$25,000, the maximum aggregate amount that a national political party may contribute to a political party in any two-year election period;
- (12) Prohibiting government contractors from making or promising political contributions at any time between the execution and the completion of a government contract, or to knowingly solicit any contribution for any purpose at any time;
- (13) Specifying that the terms of any loan to a candidate or candidate's committee in excess of \$100 must be reported to CSC;
- (14) Providing that any loan, except a loan from the candidate or the candidate's immediate family members, that is not repaid within a year is deemed to be a contribution;
- (15) Prohibiting the use of campaign contributions for election to another state, county, or federal office without the donor's written consent;
- (16) Allowing surplus funds to be used for fundraising activities after a general or special election, and for contributions to community and charitable organizations within 90 days after the general election;
- (17) Prohibiting deposits of campaign contributions unless relevant information, including the amount and date of the contribution and the identity of the donor, is filed with CSC;
- (18) Requiring candidates, committees, and individuals who do not file nomination papers for an election or who cease to be candidates or committees, to return all contributions by a specified time, or the contributions will escheat to the Campaign Fund;
- (19) Increasing from \$100 to \$1,500, the maximum amount of public funds available to a candidate for OHA in any election year;
- (20) Requiring candidates to receive campaign contributions qualifying them for public funds from individual residents of Hawaii only;
- (21) Specifying that candidates for special elections are not eligible for public funding;
- (22) Providing that a candidate who raises qualifying campaign contributions once in an election period is entitled to received in public funds for each election:
 - (A) The minimum amount of qualifying campaign contributions; and
 - (B) \$2 for every \$1 raised in excess of the minimum amount of qualifying campaign contributions,up to the maximum amount of public funds available to the candidate under section 11-218, Hawaii Revised Statutes (HRS); and
- (23) Making it a class C felony to knowingly or intentionally falsify any campaign report or to violate campaign laws relating to contributions made anonymously or under a false name, and prohibiting deferred acceptance of guilty plea or nolo contendere plea for these violations.

CSC, Department of the Prosecuting Attorney of the City and County of Honolulu, and Pro Democracy Initiative testified in support of this bill. A member of the Senate supported this bill with amendments. The League of Women Voters of Hawaii supported the intent of this measure. The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, and a concerned individual opposed this bill. The Department of the Attorney General offered comments.

Your Committee has amended this bill by:

- (1) Removing the provision restricting campaign contributions by banks or corporations to contributions made from separate segregated funds;
- (2) Clarifying the definition of "clearly identified" to mean the name, photograph or other similar image, or other unambiguous identification of the candidate;
- (3) Amending the definition of "residual funds" to have the same meaning as "surplus funds", defined as unspent money from contributions held by a candidate or committee after a general or special election and after all campaign expenditures have been paid for the election period;
- (4) Removing the amendment to the definition of "advertisement" that included telephone calls featuring a recorded message;
- (5) Providing that an elected official who is seeking re-election to the same office in successive elections and has not sought election to any other office during the period between elections, is not required to file an organizational report after filing nomination papers for office or after receiving contributions or making expenditures amounting to more than \$100 in the aggregate pursuant to section 11-194, HRS unless the candidate is required to report a change in information under section 11-196(b);
- (6) Reducing from \$2,000 to \$250, the maximum aggregate amount a person or any other entity may contribute to a candidate for a two-year office during an election period;
- (7) Reducing from \$6,000 to \$500, the maximum aggregate amount that a person or any other entity may contribute to a candidate for any four-year office during an election period;
- (8) Removing the 90-day period after general elections in which surplus funds may be used as contributions to community and charitable organizations, and providing instead that these contributions are prohibited during the 120 days immediately preceding a primary or general election;
- (9) Clarifying that electioneering communications do not include communications in a news story or editorial disbursed unless from facilities owned or controlled by any political party, political committee, or candidate;
- (10) Providing that campaign contributions to candidates, committees, and individuals who fail to file nomination papers for an election must be returned no later than 90 business days after the deadline to file for nomination;
- (11) Amending section 853-4, HRS, to include reference to the new class C felony for certain campaign violations, to reflect that persons charged with this felony are not eligible for a deferred acceptance of guilty plea or nolo contendere plea;
- (12) Specifying that the provisions:
 - (A) Requiring candidates for the Senate, House of Representatives, and OHA to file reports with CSC electronically; and
 - (B) Allowing candidates or candidate committees to request waivers from mandatory electronic filing, take effect on January 1, 2006;
- (13) Changing the effective date to January 1, 2020, to encourage further discussion; and
- (14) Making 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. 440, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 440, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Kanoho and Sonson.

SCRep. 1258 Agriculture/Water, Land, & Ocean Resources on S.B. No. 953

The purpose of this bill is to reduce burdensome litigation against agricultural producers by requiring sellers of residential property located near agricultural land to disclose to buyers, in the disclosure statement provided to buyers, the close proximity of the agricultural land.

The Department of Agriculture, Hawaii Farm Bureau Federation, and Maui County Farm Bureau supported this bill. The Hawaii Association of REALTORS opposed this measure.

Your Committees have amended this bill by:

- (1) Changing the effective date to January 1, 2006, to allow affected parties additional time to implement the disclosure requirements contained in this bill; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Agriculture and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 953, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 953, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Wakai and Stonebraker.
(Representatives Evans and Meyer voted no.)

SCRep. 1259 Agriculture/Water, Land, & Ocean Resources on S.B. No. 1268

The purpose of this bill is to preserve agricultural lands and improve administration of the Agribusiness Development Corporation (ADC) by:

- (1) Authorizing ADC to issue revenue bonds to purchase agricultural lands located in the Waialua area on Oahu and owned by Galbraith Estate;
- (2) Allowing ADC to purchase, accept, and maintain permanent conservation easements in accordance with the Natural Resources Conservation Service farm and ranch lands protection program; and
- (3) Allowing ADC, when leasing ADC-controlled agricultural lands, to contract with certain financial institutions to provide lease management services.

The Hawaii Farm Bureau Federation, Hawaii Agriculture Research Center, ILWU Local 142, and a concerned individual supported this bill. ADC supported the intent of this bill.

Your Committees have amended this measure by deleting its contents and inserting the substantive contents of H.B. No. 330, H.D. 1, with amendments. As amended, this bill:

- (1) Requires ADC to obtain the agricultural lands located in the Waialua area on Oahu and owned by Galbraith Estate and allows ADC to purchase the agricultural lands through the issuance of revenue bonds;
- (2) Allows ADC, when leasing ADC-controlled agricultural lands, to contract with certain financial institutions to provide lease management services;
- (3) Allows ADC to purchase, accept, maintain, and enforce permanent conservation easements in accordance with the Natural Resources Conservation Service farm and ranch lands protection program; and
- (4) Establishes that, for lands in central Oahu acquired under this bill, the agricultural leases shall be for not less than 55 years.

As affirmed by the records of votes of the members of your Committees on Agriculture and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1268, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1268, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Stonebraker.

SCRep. 1260 Agriculture/Economic Development & Business Concerns on S.B. No. 1879

The purpose of this bill is to address specific issues of agricultural businesses operating under the State Enterprise Zone (EZ) Program by establishing that agricultural businesses shall remain eligible for all EZ tax incentives during any period caused by a force majeure event, such as pest outbreaks or damaging weather. In addition, this bill, among other things:

- (1) Extends the eligibility period for agricultural businesses under the EZ Program by the duration, in months, of the force majeure event;
- (2) Allows agricultural businesses to meet annual gross revenue requirements if the businesses are unable to meet annual full-time employee requirements of the EZ Program; and
- (3) Includes leased employees and employees under a joint employer relationship in the definition of "full-time employee".

The Department of Business, Economic Development, and Tourism (DBEDT), Department of Agriculture, Department of Taxation, Hawaii Agriculture Research Center, Hawaii Crop Improvement Association, Hawaii Aquaculture Association, Hawaii Farm Bureau Federation, supported this bill. The Tax Foundation of Hawaii offered comments.

Your Committees have amended this measure by deleting its contents and inserting the substantive contents of H.B. No. 1200, H.D. 2, Regular Session of 2005. As amended, this bill differs from the bill as referred to your Committees by:

- (1) Including a specific provision allowing DBEDT to extend all tax incentives provided under the EZ Program to existing qualified agricultural businesses for no more than the number of months of the duration of the force majeure event;

- (2) Clarifying that if an agricultural business is wholly or partially prevented from maintaining eligibility requirements of the EZ Program, then the agricultural business shall not be disqualified from the EZ Program;
- (3) Removing agricultural businesses that are engaged in processing agricultural products from the definition of "agricultural business";
- (4) Clarifying the definition of "leased employee" to mean an employee under a professional employment organization arrangement who is assigned to a client company on a full-time basis for at least one year;
- (5) Changing the effective date to July 1, 2010, to promote further discussion; and
- (6) Making technical, nonsubstantive amendments for style, clarity, and consistency.

Your Committees note that questions were raised regarding whether certain events, such as dock strikes, would qualify as "force majeure" events. Your Committees also recognize that concerns were raised regarding force majeure events in which agricultural businesses are "partially" prevented from maintaining their eligibility under the EZ Program.

In addition, your Committees note that agricultural businesses engaged in the processing of agricultural products are not included under the definition of "agricultural business" in the bill as amended. Your Committees support future legislative efforts to address all of these concerns.

As affirmed by the records of votes of the members of your Committees on Agriculture and Economic Development & Business Concerns that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1879, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1879, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ching and Stonebraker.

SCRep. 1261 Housing on S.B. No. 1870

The purpose of this bill is to create a level playing field for all building projects by requiring owner-builders to pay the general excise tax on the value of building their personal residence.

Hidano Construction, Inc., the Building Industry Association of Hawaii, General Contractors Association of Hawaii, Subcontractors Association of Hawaii, and Hawaii Laborers-Employers Cooperation Educational Trust testified in support of this bill. The City and County of Honolulu Department of Planning and Permitting opposed this measure. The Department of Taxation (DOTAX), Tax Foundation of Hawaii, and Hawaii Association of Realtors provided comments.

Your Committee finds that the intent of the exemption from general excise tax for owner-builders is to provide a tax break for individuals building homes for their personal use. However, there is concern that some owner-builders are building homes, occupying them for a short period of time, then selling them.

It is not the intent of your Committee to impose an additional tax or create an undue burden on the counties, but rather to enforce the intent of the current law. Simply requiring owner-builders to submit an information return to DOTAX will help curb any abuse that may be occurring.

Accordingly, your Committee has amended this bill by removing its contents and inserting provisions that:

- (1) Require every person who claims to be exempt from the general excise tax as an owner-builder to file an information return no later than 30 days after the actual completion of the project;
- (2) Establish a lien immediately upon the sale or disposition of the land or improvements until the general excise tax is paid; and
- (3) Exempting the Department of Hawaiian Home Lands and Housing and Community Development Corporation of Hawaii from the filing requirement.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1870, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1870, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1262 Labor & Public Employment on S.B. No. 1773

The purpose of this bill is to help ensure the professionalism of social workers by:

- (1) Requiring a social worker/human services professional with a social work degree to be called a social worker and all others to be called human services professionals;
- (2) Requiring the Department of Human Resources Development (DHRD) to develop a plan for separating the social worker/human services professional class into two separate classes;
- (3) Requiring new state social workers and all federal and county social workers to be licensed beginning July 1, 2007;

- (4) Prohibiting DHRD from eliminating the social worker class; and
- (5) Exempting employees of the Hawaii Paroling Authority from these provisions.

The National Association of Social Workers, Hawaii Government Employees Association, and several concerned individuals supported this bill. The Department of Human Services, DHRD, Department of Public Safety, Department of Health, and Hawaii Health Systems Corporation testified in opposition to this bill. The Judiciary and Hawaii Paroling Authority provided comments.

Your Committee finds that it is important to continue to reserve the title and requirements of the social worker classification to uphold the quality of care given to persons in need of their services. Although many executive departments are in dire need of social workers and reclassification has been able to help them with this dilemma, your Committee finds that use of the title "social worker" by an individual not specifically trained in the social work profession is misleading and may result in decreased public safety.

However, your Committee understands the concerns raised by the Judiciary that this measure may have the unintended consequence of limiting its ability to recruit individuals who are not necessarily social workers but who meet the minimum qualifications for a social worker position and may curtail its ability to re-describe a social worker position into another class of work if the need arises. Your Committee notes that it is not the intent of this legislation to adversely affect the Judiciary and will work with the Committee on Finance to look at adding an exemption for the Judiciary to the bill.

In addition, your Committee has amended this measure by deleting its substantive contents and replacing it with the substance of H.B. No. 1146, H.D. 1. As amended, this bill ensures the professionalism of social workers by:

- (1) Prohibiting DHRD from eliminating or replacing the social worker class that existed on July 1, 2004;
- (2) Restoring the social worker class if it is eliminated or replaced before the effective date of this bill;
- (3) Requiring that, following the restoration of the social worker class should that class be eliminated, all social workers admitted to this restored class hold a bachelor's, master's, or doctoral degree in social work;
- (4) Requiring that all individuals who meet the qualifications for the restored social worker class who either:
 - (a) Transferred from the eliminated social worker class; or
 - (b) Were employed following July 15, 2004, in a class that replaced the eliminated social worker class; and be transferred back to the restored social worker class; and
- (5) Directing DHRD to create a new class for those employees who do not meet the qualifications for the restored social worker class and transferring these employees into that new class.

Your Committee has also amended this bill by:

- (1) Changing its effective date to July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1773, 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. 1773, S.D. 2, H.D. 2.

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

SCRep. 1263 Labor & Public Employment on S.B. No. 1808

The purpose of this bill is to protect workers' rights by:

- (1) Preserving the existing Hawaii administrative rules pertaining to workers' compensation by codifying these rules into chapter 386, Hawaii Revised Statutes (HRS);
- (2) Mandating further requirements for vocational rehabilitation providers;
- (3) Clarifying provisions regarding guidelines established on the frequency of treatment and the reasonable utilization of health care and services;
- (4) Clarifying the scope of temporary total disability provisions established in the workers' compensation law;
- (5) Limiting the Director of Labor and Industrial Relations' (Director) rulemaking authority;
- (6) Clarifying the considerations that may be taken into account when determining approval of appropriate attorney fee requests;
- (7) Clarifying what information should be included as part of the content of a medical report;
- (8) Clarifying provisions for the reimbursement or awarding of attorney's fees in fraud cases;

- (9) Specifying procedures for the filing of claims; and
- (10) Providing the Insurance Commissioner with the authority to investigate and prosecute fraud committed by an insurer or employer.

Hawaii State AFL-CIO, ILWU, Local 142, Hawaii Government Employees Association, Hawaii Nurses Association, Hawaii Psychological Association, and numerous concerned individuals testified in support of the bill. The Department of Labor and Industrial (DLIR) Relations, Hawaii Medical Association, Kaiser Permanente, Hawaii Insurers Council, Island Insurance Companies, First Insurance Company of Hawaii, Ltd., Hawaii Employer's Mutual Insurance Company, Inc., National Federation of Independent Business-Hawaii, The Chamber of Commerce of Hawaii, Hawaii Business Roundtable, Retail Merchants of Hawaii, Employers' Chamber of Commerce, Metzler Contracting Company, LLC, ML Pacific, Inc., HSI Mechanical, Inc., CC Engineering and Construction, Inc., Foundations Hawaii, Inc., Atlas Construction Services, Sen Plex Corporation, Oahu Plumbing & Sheet Metal, Ltd., Oahu Air Conditioning Service, Inc., Oahu Restaurant Supply, Inc., Access Lifts of Hawaii, Artisan Paint and Coatings, Homeworks Construction, Inc., Reflections Glass Company, Robert M. Kaya Builders, Inc., Mark Development, Inc., Universal Construction, Inc., Gima Pest Control, Inc., Raynor Pacific Overhead Doors Ltd., Benny's Better Builders, Ltd., Hidano Construction, Inc., David's Custom Roofing & Painting, Inc., Decor Builders, Inc., and Mouse Builders, Inc., opposed this measure. The Department of Commerce and Consumer Affairs, Attorney General, and Hawaii Chapter of the American Physical Therapy Association opposed the bill in part. The Department of Human Resources Development submitted comments and concerns.

This bill takes a two pronged approach to ensure a balanced approach in the workers compensation system. Your Committee finds that this bill is necessary to maintain the underlying premise of the system which is to enable the injured worker, who by giving up the right to sue the employer, will receive timely and effective medical treatments and rehabilitation. First, this bill codifies the existing Sections 12-10-1 et. seq., 12-14-1 et. seq. and 12-15-1 et. seq., Hawaii Administrative Rules into Chapter 386, HRS, pertaining to workers' compensation. Your Committee finds that codification of these rules are necessary to ensure consistency with the public policy set forth by the Legislature.

Second, this bill reaffirms the constitutional responsibility and powers given to the Legislature to determine public policy through enactment of laws and to the Executive to execute and administer these laws. Your Committee is concerned with recent events by DLIR to propose new rules that in effect circumvent the Legislature's policymaking role. Moreover, your Committee finds it imperative to maintain the integrity of the workers compensation system as envisioned by the Legislature. It is the Legislature who decides what balanced and reasonable changes to make to the current workers' compensation statutes. The Executive should not enact rules that do not comport with the laws enacted by the Legislature. The Legislature has statutorily created a valuable protection to workers and their employers in the event of a workplace-related injury or disease. In chapter 386, Hawaii Revised Statutes, the Legislature has developed a workers' compensation mechanism to allow injured workers to receive payments to cover loss of earning capacity, receive medical treatment, and undergo vocational rehabilitation, where necessary, to assist them to return to work.

However, your Committee understands some of the concerns raised at the public hearing, particularly with regard to the investigation of fraud. After discussing the issue of fraud investigation with the Insurance Commissioner during the public hearing, your Committee finds that another bill dealing with insurance would be better suited to address this issue and will work with the Committee on Finance to address this issue.

Your Committee has amended this measure by:

- (1) Eliminating the provision allowing for the awarding of administrative penalties and attorney's fees in instances where a party successfully investigated a case of fraud and a determination of fraud was made;
- (2) Deleting the provision permitting the Insurance Commissioner to investigate and prosecute workers' compensation fraud cases;
- (3) Reinstating the rulemaking authority of the Director of DLIR on July 1, 2007, rather than January 1, 2011; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1808, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1808, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Souki.
(Representatives Fox and Meyer voted no.)

SCRep. 1264 Economic Development & Business Concerns/Labor & Public Employment on S.B. No. 962

The purpose of this bill is to:

- (1) Provide for the manner in which the prevailing wages for laborers and mechanics on public work projects is to be established;
- (2) Allow all individuals to bring suit for injunctive relief for violations of chapter 104, Hawaii Revised Statutes.

The Hawaii Carpenters Union supported this bill. The Attorney General, Department to Accounting and General Services, Department of Labor and Industrial Relations, Building Industry Association-Hawaii, and Hidano Construction, Inc., opposed this bill.

Your Committees have amended this bill by:

- (1) Expanding the definition of "public work" to include under what circumstances the use of public funding for a project would qualify that project as public work;

- (2) Repealing the provision allowing all individuals to bring suit for injunctive relief for violations of chapter 104, HRS; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Economic Development & Business Concerns and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 962, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 962, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang and Meyer.
(Representatives Ching, Fox and Marumoto voted no.)

SCRep. 1265 Judiciary on S.B. No. 467

The purpose of this bill is to improve the range and quality of programs offered to women and girls in corrections by requiring these programs to be substantially equivalent to those offered to males by:

- (1) Requiring the Department of Public Safety and Office of Youth Services to develop and implement gender-responsive, community-based programs for female offenders and female adjudicated youths, respectively; and
- (2) Appropriating funds to support these programs.

The Hawaii Juvenile Justice Project, Hawaii Youth Services Network, Maui County Committee on the Status of Women, Out of Prison Services, TJ Mahoney & Associates, League of Women Voters of Hawaii, Women's Coalition, A Woman's Voice International, Community Alliance on Prisons, American Civil Liberties Union of Hawaii, Hawaii State Coalition Against Domestic Violence, and numerous concerned individuals supported this bill. The Hawaii Paroling Authority and Office of Youth Services supported the intent of this measure. The Department of Public Safety opposed this bill. The Department of the Attorney General provided comments.

Your Committee has amended this bill by:

- (1) Deleting provisions requiring gender parity and shifting the focus to a more balanced and flexible objective of gender-responsive programs;
- (2) Changing references to grants-in-aid to grants that are subject to chapter 42F, Hawaii Revised Statutes; and
- (3) Making technical, nonsubstantive changes for clarity, 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. 467, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 467, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Kanoho and Sonson.

SCRep. 1266 Judiciary on S.B. No. 708

The purpose of this bill is to enhance public safety by amending the law regarding public access to registration information of sex offenders and persons convicted of certain offenses against children. Specifically, this bill, among other things:

- (1) Establishes separate registries for sex offenders and offenders against children;
- (2) Allows certain offenders to petition a court in a civil proceeding for termination of registration requirements and public access to registration information, and establishes legal presumptions, based on offenses, for these proceedings;
- (3) Clarifies the scope of offender registration information and permitted disclosures of this information;
- (4) Repeals the provision requiring the State to petition a court in a civil proceeding for the public release of sex offender information;
- (5) Specifies the methods of providing public access to offender information, based on offenses; and
- (6) Appropriates an unspecified amount for fiscal year 2005-2006, for state and county agencies to hire necessary staff to implement the new provisions.

Kuli'ou'ou/Kalani Iki Neighborhood Board #2, Hawaii State Coalition Against Domestic Violence, and numerous concerned individuals testified in support of this bill. The Department of the Attorney General, Department of Public Safety, Department of the Prosecuting Attorney of the City and County of Honolulu, Department of the Prosecuting Attorney of the County of Maui, Office of the Prosecuting Attorney of the County of Kauai, Honolulu Police Department, County of Hawaii Police Department, State of Hawaii Organization of Police Officers, Sex Abuse Treatment Center, Hawaii Family Forum, and three concerned individuals supported this measure with amendments. The Office of the Public Defender and the American Civil Liberties Union of Hawaii opposed this bill.

Your Committee has amended this bill by:

- (1) Clarifying that a covered offender who is not a sexually violent predator, aggravated sex offender, or repeat covered offender may petition a court in a civil proceeding for termination of registration requirements;
- (2) Providing that a covered offender who is a sexually violent predator, aggravated sex offender, or repeat covered offender may petition a court in a civil proceeding for termination of registration requirements, if the offender has substantially complied with registration requirements for 40 years;
- (3) Specifying that upon denial of an offender's petition to have registration requirements terminated, the offender is precluded from filing another petition for five years;
- (4) Specifying that for all covered offenders who are not sexually violent predators, aggravated sex offenders, repeat covered offenders, class C felons, or misdemeanants, there is no legal presumption for civil proceedings brought to terminate registration requirements or public access to registration information;
- (5) Clarifying that time periods are tolled when a covered offender is committed to prison;
- (6) Providing that court determinations of whether a sex offender is sexually violent must be made by the court after considering the recommendation of a board composed of experts in the behavior and treatment of sex offenders, victim's rights advocates, and representatives of law enforcement agencies;
- (7) Amending the new definition of "aggravated sexual offense" to include:
 - (A) Comparable criminal, federal, military, or out-of-state offenses; and
 - (B) Attempts, criminal solicitations, or criminal conspiracy to commit an aggravated sexual offense;
- (8) Adding a definition of "aggravated sex offender" to include persons charged with an aggravated sexual offense and found unfit to proceed and released into the community, or acquitted due to physical or mental disease, disorder, or defect and released;
- (9) Amending the new definition of "repeat covered offender" to include a person charged with more than one covered offense and who has more than once been convicted, found unfit to proceed, or acquitted due to a physical or mental disease, disorder, or defect;
- (10) Amending the new definition of "sexual offense" to include:
 - (A) Offenses relating to sexual assault of confined or committed persons by facility employees; knowing sexual contact with minors, or mentally incapacitated or physically helpless persons; except for sexual conduct that is criminal only because of the age of the victim if the perpetrator is under the age of 18;
 - (B) Acts of kidnapping or unlawful imprisonment in the first degree if the convicted person was charged with actual or attempted sexual penetration or contact;
 - (C) Solicitation of a minor who is less than 14 years old to engage in sexual conduct;
 - (D) Possession of child pornography chargeable as a felony; and
 - (E) Electronic enticement of a child chargeable as a felony, if the act involves sexual conduct, attempted sexual conduct, or a proposal to engage in sexual conduct;
- (11) Requiring registration information to include:
 - (A) All prior names used, to be included as public information;
 - (B) Actual business addresses known; and
 - (C) A statement listing all covered offenses for which the covered offender was convicted or found unfit to proceed or acquitted;
- (12) Clarifying that a covered offender must comply with registration requirements until a court relieves the offender of those requirements;
- (13) Requiring public access to registration information to continue until the expiration of at least:
 - (A) Twenty-five years after sentencing or release, whichever is later, of any covered offender who is not a repeat covered offender, aggravated sexual offender, or sexually violent predator, and whose most serious covered offense is a class A felony or its non-Hawaii equivalent;
 - (B) Fifteen years after sentencing or release, whichever is later, of any covered offender who is not a repeat covered offender, aggravated sexual offender, or sexually violent predator, and whose most serious covered offense is a class B felony or its non-Hawaii equivalent;
- (14) Specifying that the standard of proof for a covered offender petitioning a court for termination of public access to registration information is a preponderance of the evidence, rather than clear and convincing evidence;
- (15) Providing that a denial by a court of a petition to terminate public access to registration information precludes the filing of another petition for five years from the date of the last denial;

- (16) Extending from three working days to ten, the amount of time that a covered offender has to notify in writing the Attorney General or the Hawaii Criminal Justice Data Center of a change of any of the offender's registration information;
- (17) Appropriating \$115,000 in general funds for fiscal year 2005-2006, for state and county agencies to hire necessary staff to implement the new provisions of this measure;
- (18) Providing that the provisions of this measure will have retroactive application; and
- (19) Making 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. 708, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 708, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Kanoho and Sonson.

SCRep. 1267 Judiciary on S.B. No. 845

The purpose of this bill is to promote commercial motor vehicle safety by adopting federally mandated changes of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT) Act.

The Department of Transportation and the City and County of Honolulu's Department of Customer Services supported this bill. The Judiciary provided comments.

Your Committee has amended this bill by:

- (1) Requiring the Judiciary to electronically transmit to the statewide traffic records system records of convictions, failures to appear in court, or failure to pay a fine or court cost;
- (2) Allowing the Director of Transportation to delegate this responsibility to another agency with compensation if appropriate;
- (3) Clarifying that the conditional license permits under the administrative revocation process should not be issued for commercial driving, but may be issued for noncommercial driving;
- (4) Making it unlawful for a person with 0.04 percent or more, by weight, of alcohol in the person's blood to drive a commercial vehicle; and
- (5) Making technical, nonsubstantive changes for clarity, 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. 845, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 845, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Kanoho and Sonson.

SCRep. 1268 Judiciary on S.B. No. 1816

The purpose of this bill is to clarify the law regarding student referrals for substance abuse assessment and treatment by, among other things:

- (1) Providing that a student must be assessed by a certified substance abuse treatment counselor or professional qualified pursuant to chapter 431M, Hawaii Revised Statutes (HRS), prior to being excluded from school for a substance abuse violation;
- (2) Repealing provisions in section 302A-1134.6, HRS, prohibiting:
 - (A) Exclusions from school and deferral of all disciplinary action during the pendency of the student's substance abuse treatment; and
 - (B) Expungement of all records of disciplinary action relating to the substance abuse offense upon completion of treatment;
- (3) Specifying that follow-up counseling and other student services must be provided to a child who has been assessed for a school substance abuse violation as not needing treatment for substance abuse or dependency;
- (4) Establishing a task force to review the process by which a child who violates the zero tolerance policy for drugs and alcohol in public schools is referred for assessment and treatment of substance abuse and excluded from school; and
- (5) Appropriating \$400,000 for fiscal year 2005-2006, for student assessments by certified substance abuse treatment counselors or professionals qualified pursuant to chapter 431M, HRS.

The Department of Health (DOH) supported the intent of this bill. The American Civil Liberties Union, Drug Policy Action Group, and a concerned individual opposed this measure. The Department of Education (DOE) offered comments.

Your Committee has amended this bill by:

- (1) Replacing DOE with DOH as the entity administering the task force and as the expending agency for the appropriation made for student substance abuse assessments;
- (2) Amending the membership of the task force as follows:
 - (A) Replacing the Director of Health or the Director's designee with two members representing the Director of Health and the administrator of the Alcohol and Drug Abuse Division of DOH;
 - (B) Specifying that three members of the substance abuse treatment provider community, representing health care professionals involved in the assessment of children for substance abuse or dependence, shall be jointly appointed to the task force by the Speaker of the House of Representatives and President of the Senate;
- (3) Removing the requirement that the task force consist of at least one member from each county; and
- (4) Providing that the task force must review applicable federal laws along with the amendments made by this measure to the zero tolerance policy for schools under section 302A-1134.6, HRS.

Technical, nonsubstantive amendments were also made for clarity, 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. 1816, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1816, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Kanoho and Sonson.

SCRep. 1269 Judiciary on S.B. No. 1876

The purpose of this bill is to facilitate the use of federal alternative standards when repairing or reconstructing a scenic highway.

As received, this bill:

- (1) Applies alternate federal guidelines in the repair or reconstruction of legislatively-designated "scenic highways" that consider, among other things, safety, the area's constructed and natural environment, and scenic, environmental, aesthetic, historic, community, and preservation impacts;
- (2) Immunizes the State and public utilities from liability for injury or death occurring on these scenic highways, except when they have acted with gross negligence or wilful misconduct, or are found to be more than twenty-five per cent at fault;
- (3) Establishes the Scenic Highways Advisory Commission (Commission) to recommend highways that should receive the "scenic highways" designation, subject to legislative approval; and
- (4) Appropriates funds to cover the Commission's expenses.

The Department of Research and Development of the County of Hawaii, the Mayor of the County of Maui, Maui County Cultural Resources Commission, Hanalei Roads Committee, a Maui Council Member, and several concerned individuals testified in support of this bill. Verizon Hawaii supported the intent of this measure. The Department of Transportation (DOT) and Consumer Lawyers of Hawaii opposed this bill. An individual offered comments.

Upon further consideration, your Committee has amended this bill by replacing its contents with the language from H.B. No. 1239, H.D. 1, which passed out of the House of Representatives earlier this session after public hearings before the House Committees on Transportation and Finance.

As amended, this bill encourages flexibility in highway design that will ensure road and bridge projects meet the State's transportation needs as well as work well for the surrounding communities. This bill requires DOT to develop new design guidelines for road and bridge projects that address and balance appropriate financial, political, social, and economic policy concerns, including safety, cost-effectiveness, and environmental, aesthetic, and cultural preservation.

Your Committee has further amended this bill by:

- (1) Listing additional considerations to be weighed in the development of new design guidelines, including:
 - (A) DOT's institutional experience;
 - (B) Cost benefit analysis; and
 - (C) Review of pertinent qualitative and safety studies, and other pertinent research;
- (2) Specifying that the guidelines should provide for complete documentation, thereby making clear the processes and reasoning that support the decision;
- (3) Noting DOT's reluctance to use alternative standards in repairing scenic highways due to the risk of liability, and suggesting that such risks can be avoided by fixing highway design safety problems in a timely manner;

- (4) Specifying desirable outcomes that should result from the development of guidelines; and
- (5) Changing the effective date to July 1, 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. 1876, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1876, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Kanoho and Sonson.

SCRep. 1270 Judiciary on S.B. No. 682

The purpose of this bill is to enhance the enforcement of tobacco regulation laws by:

- (1) Requiring a business engaged in the sale of cigarettes and other tobacco products at the retail level to obtain a retail tobacco permit from the Department of Taxation (DOTAX);
- (2) Providing criminal penalties for the retail sale of cigarettes or other tobacco products without a valid retail tobacco permit;
- (3) Providing DOTAX with the authority to seize and require the forfeiture of cigarettes and other tobacco products sold, possessed, kept, acquired, distributed, or transported without a valid retail tobacco permit.

The Attorney General, Department of Health, DOTAX, American Cancer Society, American Lung Association, Coalition for a Tobacco Free Hawaii, and American Heart Association testified in support of this bill. The Hawaii Food Industry Association and Legislative Information Services of Hawaii testified in opposition to this measure. The Office of the Public Defender and Tax Foundation of Hawaii submitted comments.

Your Committee has amended this bill by clarifying that:

- (1) A retail tobacco permit shall be displayed at all times in a conspicuous place at the place of business requiring the retail tobacco permit;
- (2) An owner of a retail establishment required to obtain a retail tobacco permit is subject to penalties; and
- (3) The commission of an offense requires the offending party to knowingly fail to obtain a valid retail tobacco permit.

Technical, nonsubstantive amendments were also made for clarity, 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. 682, 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. 682, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Herkes, Kanoho and Sonson.

SCRep. 1271 Judiciary on S.B. No. 1201

The purpose of this bill is to appropriate funds to further develop the State's comprehensive approach to the ongoing problem of substance abuse and dependency, in general, and the "ice" epidemic in particular.

The Coalition For A Drug-Free Hawaii, Drug Addiction Services of Hawaii, Inc., Hawaii Youth Services Network, The Salvation Army, Hina Mauka, Community Alliance on Prisons, and a concerned individual testified in support of this bill. The Department of Education and Department of the Attorney General supported the intent of this measure. The Judiciary, Department of Health (DOH), and Department of Public Safety offered comments.

Your Committee has amended this bill by:

- (1) Deleting the appropriations for both the drug courts and the treatment of first-time nonviolent drug offenders sentenced by the courts since these appropriations are already included in other bills;
- (2) Expanding the focus of the appropriation for adult treatment services to include the full continuum of treatment services, and providing DOH with flexibility in allocating funds to licensed adult treatment programs as well as currently operating therapeutic living programs;
- (3) Changing the expending agency for student substance abuse referral to DOH; and
- (4) Making technical, nonsubstantive amendments for consistency, 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. 1201, 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. 1201, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Herkes, Kanoho and Sonson.

SCRep. 1272 Judiciary on S.B. No. 1772

The purpose of this bill is to provide publicly available information regarding employers who shift the responsibility of providing health care coverage for their employees to publicly funded medical assistance programs by:

- (1) Requiring each applicant for medical assistance to identify the employer of the proposed beneficiary of medical assistance;
- (2) Requiring the Department of Human Services (DHS) to submit an annual report to the Legislature identifying all employers who employ 25 or more beneficiaries of medical assistance programs administered by DHS;
- (3) Requiring the annual report to be made available to the public and to include in the annual report:
 - (A) Each employer's name and names of subsidiaries that employ beneficiaries of DHS medical assistance programs;
 - (B) The location of the employer;
 - (C) The total number of the employer's employees and dependents who are enrolled in each DHS medical assistance program; and
 - (D) The total cost to the state of providing medical assistance benefits for the employees and enrolled dependents of each identified employer;

and
- (4) Establishing that any member of the public that requests a copy of the annual report shall receive one.

The Hawaii State AFL-CIO, Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, and ILWU Local 142 supported this bill. DHS opposed this bill.

Your Committee has amended this bill by:

- (1) Establishing that to ascertain certain information required in the annual report, DHS shall consult with the Department of Commerce and Consumer Affairs;
- (2) Clarifying that the annual report shall include the total cost "per year" to the state of providing medical assistance benefits for the employees and enrolled dependents of each identified employer;
- (3) Deleting the provision that establishes that any member of the public that requests a copy of the annual report shall receive one, because a separate provision allows the Director of DHS discretion as to the means through which the annual report shall be made available to the public; and
- (4) Making technical, nonsubstantive amendments for style, clarity, 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. 1772, 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. 1772, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Herkes, Kanoho and Sonson.
(Representative Marumoto voted no.)

SCRep. 1273 Judiciary on S.B. No. 1420

The purpose of this bill is to improve access to psychotropic medications by:

- (1) Prohibiting the Department of Human Services (DHS) from restricting payments for access to psychotropic medication prescribed to the recipient by a licensed medical care provider;
- (2) Providing that an individual in need of emergency psychiatric or psychological service is presumed eligible for psychotropic medication prescribed by a licensed medical care provider until an eligibility decision is made by DHS, and that DHS must reimburse costs for the medication and related physician services incurred during the presumptive eligibility period;
- (3) Removing the preauthorization restrictions for licensed medical care providers prescribing psychotropic medication to individuals in need of emergency psychiatric or psychological service;
- (4) Appropriating unspecified amounts for fiscal years 2005-2006 and 2006-2007 for DHS to provide unrestricted payment for and access to psychotropic medication; and
- (5) Establishing a task force to study restrictions on psychotropic medication prescriptions.

The Hawaii Disability Rights Center, Mental Health Association in Hawaii, Mental Health Legislative Coalition, National Alliance for the Mentally Ill (NAMI)-Oahu, NAMI Hawaii, and numerous concerned individuals testified in support of this bill. The Department of the Health opposed this measure. The Department of the Attorney General and DHS offered comments.

Your Committee has amended this bill by:

- (1) Defining "emergency psychiatric or psychological service" to mean immediate administration or prescription of psychotropic medication by a licensed medical care provider is required to avoid or mitigate significant adverse effects to the individual's mental or emotional condition;
- (2) Specifying that an individual is presumed eligible for psychotropic medication if determined by a licensed medical care provider to be in need of emergency psychiatric or psychological service, and provided that the need for psychotropic medication shall be certified and prescribed by a licensed medical care provider;
- (3) Requiring the task force to convene immediately upon the effective date of this measure;
- (4) Appropriating an unspecified sum for the task force's expenses;
- (5) Expanding the task force's duties to include:
 - (A) Reviewing and recommending the specific drugs or classes of drugs to be included in the list of psychotropic drugs;
 - (B) Examining the State's potential exposure to future litigation in providing a special eligibility process for a specific class of individuals, as opposed to all others, based upon a medical diagnosis; and
 - (C) Reviewing any other related issue deemed appropriate by DHS;

and
- (6) Making 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. 1420, 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. 1420, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Herkes, Kanoho and Sonson.

SCRep. 1274 Public Safety & Military Affairs on H.C.R. No. 71

The purpose of this measure is to request that the federal government support conforming the retirement benefits of national guard members and military reservists to that of active duty military service members.

Specifically, the measure asks the federal government to take action to provide national guard members and military reservists who serve for more than twenty years in such military service with the ability to retire and immediately qualify for military retention pay and military retirement pay, regardless of their age upon retirement on the same basis as members of the active military services who transfer to the retired reserve after twenty or more years of active service.

Your Committee received testimony in support of the measure from the state Department of Defense and the Representative of the Forty-fourth District.

Your Committee believes that providing the same retirement benefits to national guard members and military reservists that active duty military service members enjoy, especially in this time of war, is prudent, fair, and a fitting way to support the men and women of the national guard and military reserves.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 71 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1275 Consumer Protection & Commerce on H.C.R. No. 79

The purpose of this concurrent resolution is to request the Department of Business, Economic Development, and Tourism (DBEDT) to study the feasibility of establishing a uniform statewide building code and establish a task force for this purpose.

Your Committee received testimony in support of this concurrent resolution from the Hawaii Association of Realtors and State Farm Insurance Companies. DBEDT offered comments.

Your Committee finds that building codes vary between each of the counties of Hawaii. Each county has traditionally been permitted to establish its own individual building code, many of which have existed for a decade. Updating these building codes to a code that is both uniform, up-to-date, and applicable to residential, commercial, and industrial buildings would make it possible for building owners, designers, contractors, and Hawaii code enforcers to apply one set of standards.

Concern was expressed that DBEDT may not be the appropriate department to conduct a feasibility study of establishing a uniform, statewide building code because DBEDT does not have expertise in building code issues. Concern was also expressed that the list of appointees for the task force did not include homeowner insurers.

In light of these concerns, your Committee has amended this concurrent resolution by:

- (1) Requiring the Department of Accounting and General Services to conduct the study rather than DBEDT;

- (2) Including on the task force a person, appointed by the Insurance Commissioner, who represents an insurer that writes at least 20 percent of the Hawaii homeowners insurance market;
- (3) Including on the task force a person, appointed by the Insurance Commissioner, who represents an insurer that writes less than 20 percent of the Hawaii homeowners insurance market; and
- (4) Appointing a representative from the statewide Hawaii Association of Realtors rather than the Honolulu Board of Realtors.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 79, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 79, H.D. 1.

Signed by all members of the Committee except Representatives Kanoho, Morita, Saiki and Stonebraker.

SCRep. 1276 International Affairs/Health on H.C.R. No. 73

The purpose of this concurrent resolution is 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, joining one hundred seventy other nations in endorsing the most comprehensive treaty ensuring the fundamental human rights and equality of women.

As affirmed by the records of votes of the members of your Committees on International Affairs and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 73 and recommend that it be referred to the Committee on Judiciary.

Voted by all members of the Committee except Representatives Nishimoto, Sonson and Thielen.

SCRep. 1277 Public Safety & Military Affairs on H.C.R. No. 82

The purpose of this measure is to urge the President and Congress of the United States to continue their support and funding of Deep Ocean Assessment and Reporting of Tsunami buoys.

Deep Ocean Assessment and Reporting of Tsunami buoys enable the Pacific Tsunami Warning Center to provide timely notice of a tsunami by improving its ability to accurately predict the size, speed, and impact of tsunami waves. Presently, buoy coverage is not adequate in the southeastern, northwestern, southwestern, and western portions of the Pacific Ocean. Continued funding is needed at the federal level to allow prompt and thorough maintenance of existing buoys and the deployment of additional buoys to provide the Hawaiian Islands with the highest possible level of early tsunami detection.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 82 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1278 Consumer Protection & Commerce on H.C.R. No. 83

The purpose of concurrent resolution is to request the Insurance Division of the Department of Commerce and Consumer Affairs to conduct a review of the National Conference of Insurance Legislators (NCOIL), Property-Casualty Insurance Modernization Act as amended on November, 2003.

Testimony in support of this measure was received from the Insurance Commissioner and State Farm Insurance Companies. The Hawaii Insurers Council testified in support of the intent of this concurrent resolution.

Your Committee finds that insurance rates are subject to prior approval by the Insurance Commissioner and that this system of regulation has not been reviewed since it was adopted. NCOIL's Property-Casualty Insurance Modernization Act may provide a regulatory alternative that protects consumers while providing a more competitive and less onerous regulatory environment for Hawaii's property-casualty insurers.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 83 and recommends its adoption.

Signed by all members of the Committee except Representatives Kanoho, Morita, Saiki and Stonebraker.

SCRep. 1279 Water, Land, & Ocean Resources on S.B. No. 1680

The purpose of this bill is to require that at least one member of the Board of Land and Natural Resources have a background in conservation and natural resources as evidenced by a college degree in a relevant field or demonstrated by sufficient work history.

A concerned individual testified in support of this measure. The Department of Land and Natural Resources had no objections to this bill.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1680, 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 Berg, Waters and Meyer.

SCRep. 1280 Consumer Protection & Commerce on S.B. No. 1230

The purpose of this bill is to protect the interests of consumers and dental service providers by extending the sunset date of Act 132, Session Laws of Hawaii (SLH) 2001, to allow the Insurance Commissioner (Commissioner) to continue its liquidation proceedings against the Hawaii Dental Health Plan (HDHP).

Testimony in support of this bill was received from the Commissioner.

Your Committee finds that Act 132, SLH 2001, authorized the Commissioner to monitor the solvency of dental insurance plans and pursue claims against insolvent plans to recover assets on behalf of policyholders and dental service providers.

The Commissioner has successfully instituted action against HDHP, but is still awaiting information from the federal government regarding any other outstanding claims against HDHP. Your Committee finds that an extension of the Commissioner's authority is therefore necessary.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1230 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 Kanohe, Saiki and Stonebraker.

SCRep. 1281 Judiciary on S.B. No. 681

The purpose of this bill is to clarify the Hawaii Revised Statutes (HRS) by removing a superfluous definition of "sexual conduct" from section 712-1210, HRS.

The Department of the Attorney General testified in support of this bill.

Your Committee finds that Act 240, Session laws of Hawaii 2002, added a definition of "sexual conduct" to section 712-1210, HRS, which already provided a sufficient definition of that term. This measure would repeal the superfluous definition added by Act 240.

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. 681 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 Sonson and Souki.

SCRep. 1282 Judiciary on S.B. No. 615

The purpose of this bill is to increase judicial economy by amending the exclusive jurisdiction of the small claims division of the district court over security deposit disputes between a landlord and tenant to provide concurrent jurisdiction to the regular claims division when adjudicating a summary possession (i.e. eviction) action involving the same parties.

The Judiciary and a concerned individual testified in support of this bill.

Currently, disputes over security deposits must be filed in the small claims division of the district court. At the same time, summary possession actions must be filed in the regular claims division of the district court even if they involve the same parties. This bill would ensure that the regular claims division of the district court may address all issues relating to summary possession and not be required to refer security deposit disputes to the small claims division.

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. 615, 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 Herkes and Kanohe.

SCRep. 1283 Consumer Protection & Commerce on S.B. No. 1348

The purpose of this bill is to provide apartment owners with easy access to association documents by requiring board minutes for the current and prior year, the most current financial statement, and financial statements, general ledgers, insurance policies, and other documents of the association to be made available at any office of the association or resident manager located on the condominium property.

Hawaii Independent Condominium & Cooperative Owners and a concerned individual testified in support of this bill. The Community Associations Institute Hawaii and a concerned individual opposed this bill.

Your Committee heard concerns that an association or its resident manager would be unable to maintain all of the many documents of the association on-site, at the association office or the office of the resident manager.

Your Committee has amended this bill to address this concern and exclude documents other than the regular board meeting minutes and agendas from this requirement. Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1348, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1348, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Kanohe, Saiki, Sonson and Stonebraker.

SCRep. 1284 Consumer Protection & Commerce on S.B. No. 1349

The purpose of this bill is to make condominium association records available to apartment owners for a longer period of time by requiring association financial records, ledgers, insurance policies, and other records to be retained for the current year and the prior four years.

Hawaii Independent Condominium and Cooperative Owners and a private citizen supported this bill. The Community Associations Institute Hawaii opposed this measure.

Your Committee finds that the law presently requires associations to maintain records for the current and prior year. Your Committee heard concerns that retaining these records has associated costs and burdens, and notes that some associations already keep their financial records for three years for tax purposes.

Your Committee has amended this bill by:

- (1) Changing the time that associations must retain records, to the duration of time those records are kept by the association;
- (2) Including an effective date of July 1, 2009, to facilitate further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1349, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1349, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Kanohe, Saiki, Sonson and Stonebraker.

SCRep. 1285 Consumer Protection & Commerce on S.B. No. 1798

The purpose of this bill is to exempt condominium associations that are also nonprofit corporations, from nonprofit corporation cumulative voting requirements.

Your Committee received testimony in support of this measure from a professional registered parliamentarian. The Hawaii Independent Condominium & Cooperative Owners provided comments.

Your Committee finds that the cumulative voting and director removal provisions of the nonprofit corporations law may conflict with procedures adopted by an association in their bylaws that would otherwise be acceptable under the condominium law. This measure will help to restore to these nonprofit corporation associations, the ability to manage the condominium property regime through their declaration and bylaws with minimal state law interference.

Your Committee has amended this measure by providing an effective date of July 1, 2009, in the interest of facilitating further discussion.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1798, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1798, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Kanohe, Saiki, Sonson and Stonebraker.

SCRep. 1286 Judiciary on S.B. No. 607

The purpose of this bill is to deter multiple thefts of items with minimal individual value, by providing that a person commits the felony offense of theft in the second degree if the person commits theft of property owned separately or jointly by three or more persons in the same or separate incident as part of a common scheme or plan, regardless of the property's value.

The Department of Agriculture, Hawaii Tourism Authority, Department of the Prosecuting Attorney of the City and County of Honolulu, Office of the Prosecuting Attorney of the County of Kauai, Honolulu Police Department, and the County of Hawaii Police Department testified in support of this bill. The Office of the Public Defender and three individuals opposed this measure.

Your Committee has amended this bill by deleting its contents and inserting the contents of H.B. No. 318, H.D. 1, which is substantially similar to this measure. As amended, this bill differs from the bill referred to your Committee by:

- (1) Removing the purpose and findings section;

- (2) Clarifying that a person commits the offense of theft in the second degree if the person commits theft of property belonging to three or more persons in the same or separate incident as part of a common scheme or plan and with the intent to defraud or misrepresent using information obtained from the property;
- (3) Deleting the provision allowing for the stolen items to be owned separately or jointly;
- (4) Changing the effective date to January 1, 2020, to encourage further discussion; and
- (5) Making 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. 607, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 607, 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 Kanoho.

SCRep. 1287 Judiciary on S.B. No. 675

The purpose of this bill is to streamline and clarify laws relating to child support orders and the Child Support Enforcement Agency (CSEA) by:

- (1) Allowing CSEA to issue income withholding orders based upon a request from the obligee and a determination by CSEA that the income withholding is appropriate;
- (2) Requiring the obligor to keep the CSEA apprised of information concerning whether the obligor has access to medical insurance coverage and requiring the submission of the medical policy information;
- (3) Modifying the service of process requirements for CSEA; and
- (4) Allowing CSEA to terminate the requirement for the responsible parent's employer or union to enroll a dependent child as a beneficiary in the group medical health plan by sending notice to the employer or union.

The Attorney General testified in support of this bill.

Your Committee has amended this bill by making 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. 675, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 675, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Herkes and Kanoho.

SCRep. 1288 Judiciary on S.B. No. 700

The purpose of this bill is to strengthen the nuisance abatement law by, among other things:

- (1) Clarifying that nuisance abatement suits must be proved by a preponderance of the evidence;
- (2) Authorizing a court to issue protective orders for witnesses, including nondisclosure of a witness's identifying information, upon a showing of prior threats of violence or acts of violence made by any defendant in a nuisance abatement action;
- (3) Specifying that any person who knowingly violates any order issued under the nuisance abatement law is subject to civil contempt in addition to punishment for criminal contempt of court under section 710-1077, Hawaii Revised Statutes;
- (4) Allowing injunctions against persons who maintain, aid, abet, or permit a nuisance from entering or residing in any place where the nuisance exists;
- (5) Allowing the admission of evidence of the use or threat of violence to prove the existence of a nuisance; and
- (6) Authorizing a court to suspend or revoke any business, professional, operational, or liquor license as a means of abating a nuisance.

The Office of the Lieutenant Governor, Department of the Attorney General, and the Honolulu Police Department testified in support of this bill.

Your Committee finds that this measure would encourage neighborhood residents to report community nuisances such as drug activity by increasing the protections for witnesses in nuisance abatement actions, expanding the scope of injunctions to include persons associated with the nuisance, and providing law enforcement additional tools to abate a nuisance.

Your Committee has amended this measure by:

- (1) Deleting the title of the proposed Act;

- (2) Expanding the provision on protective orders for witnesses to allow a court to issue these orders upon a showing of prior threats of violence or acts of violence by any person causing, maintaining, aiding, abetting, or permitting the nuisance;
- (3) Removing the provision allowing a court to order the suspension or revocation of any liquor license to abate a nuisance; and
- (4) Making 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. 700, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 700, 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 Kanoho.

SCRep. 1289 Judiciary on S.B. No. 1796

The purpose of this bill is to allow persons sentenced for a first-time drug offense prior to the effective date of Act 161, Session Laws of Hawaii 2002 (Act 161) on July 1, 2002:

- (1) To apply for re-sentencing, if the person demonstrates to a court a satisfactory record of drug treatment and drug abstinence and has no convictions between the date of the person's sentencing and the application for re-sentencing; and
- (2) If granted re-sentencing under the new provision, to apply for expungement of the conviction and arrest records related to the first-time drug offense.

The Office of the Public Defender, Community Alliance on Prisons, Ilocos Surian Association of Hawaii, National Federation of Filipino American Associations-Hawaii Chapter, A Woman's Voice International, Filipino Coalition for Solidarity, Inc., Adult Friends for Youth, and numerous concerned individuals testified in support of this bill. The Office of the Lieutenant Governor, Department of the Attorney General, Department of the Prosecuting Attorney of the counties of Honolulu, Maui, and Kauai, and the High Intensity Drug Trafficking Area Task Force opposed this measure. A concerned individual offered comments.

Act 161 provides a mechanism, codified as section 706-622.5, Hawaii Revised Statutes, by which nonviolent, first-time drug offenders may be sentenced to probation to undergo substance abuse treatment in lieu of prison and made eligible for expungement of their criminal record for the relevant offense. This bill attempts to afford first-time drug offenders sentenced prior to the effective date of Act 161 an opportunity to apply for similar relief. However, your Committee finds that concerns have been raised about the practical application of this measure as written, including the application of the new re-sentencing provision as to offenders who have completed their sentences and are seeking expungement of their first-time drug convictions. This bill therefore merits further discussion.

Accordingly, your Committee has amended this bill by:

- (1) Removing the re-sentencing provision and providing instead that first-time drug offenders who meet all the requirements of Act 161 may apply for expungement of their related conviction and arrest records;
 - (2) Applying the new expungement provision to first-time drug offenders sentenced prior to July 1, 2004, instead of July 1, 2002, in consideration of amendments made to Act 161 subsequent to its effective date;
 - (3) Specifying that an offender previously granted an expungement for a first-time drug offense is not eligible for the new expungement provision proposed by this measure;
 - (4) Removing language that:
 - (A) Applies this bill's provisions retroactively to July 1, 2002; and
 - (B) Repeals this bill's provisions on December 31, 2006;
- and
- (5) Changing the effective date to January 1, 2020, to encourage 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. 1796, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1796, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Herkes.

SCRep. 1290 Judiciary/Consumer Protection & Commerce on S.B. No. 608

The purpose of this bill is to aid law enforcement investigations of motor vehicle collisions by requiring physicians, surgeons, hospitals, clinics, and other healthcare providers to supply the police pertinent information arising out of motor vehicle collisions resulting in serious injury or death.

The Department of the Prosecuting Attorney of the City and County of Honolulu, Honolulu Police Department, Healthcare Association of Hawaii, and Queen's Medical Center testified in support of this bill.

Your Committees find that the police have a duty to investigate serious motor vehicle accidents to determine if any criminal conduct is involved. However, healthcare providers have been reluctant to release information relating to motor vehicle accidents in light of medical information privacy requirements of the federal Health Insurance Portability and Accountability Act and the absence of state law specifically requiring release of this information. This measure would amend section 453-14, Hawaii Revised Statutes, which requires healthcare providers to report information regarding serious injuries caused by violence or sustained under suspicious or unusual circumstances, to specifically require the same reports for motor vehicle collisions resulting in serious injury or death.

Your Committees have amended this measure by:

- (1) Removing conflicting language requiring the manager, superintendent, or person in charge of a hospital, clinic, or other institution treating a person injured or killed in a motor vehicle collision to provide pertinent information only upon request by the police; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Judiciary and Consumer Protection & Commerce that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 608, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 608, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1291 Consumer Protection & Commerce/Judiciary on S.B. No. 693

The purpose of this bill is to facilitate nonprofit fundraising through the use of charitable gift annuities by clarifying and streamlining the requirements governing the issuance of these annuities.

The Department of Commerce and Consumer Affairs, the State Attorney General, Hawaii Alliance of Nonprofit Organizations, and the Nature Conservancy submitted testimony in support of this measure. Myerberg, Shain and Associates submitted comments.

Your Committees find that during the 2004 legislative session, the Legislature amended the law controlling charitable gift annuities to decrease the minimum net worth requirements. This allowed relatively small Hawaii charities to take advantage of these annuities as a fundraising tool. The Legislature also made other adjustments in the law to protect the interests of consumers of these annuities.

However, after the law was enacted there was confusion as to whether calculation of the new minimum reserve requirements for charities would require costly actuary services. This measure simplifies the calculation of reserves by requiring that they be calculated in accordance with mortality table and discount rates to be determined by the Insurance Commissioner, rather than in accordance with accepted actuary standards. Your Committees find that this amendment will allow most charities to utilize commercially available software to calculate their reserves.

Your Committees have amended this measure by deleting the requirement that a nonprofit corporation conduct business in the State continuously for at least ten years before it may issue a charitable gift annuity, as this would put smaller charities at an unfair disadvantage.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 693, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 693, 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, Saiki, Sonson and Stonebraker.

SCRep. 1292 Hawaiian Affairs/Housing on S.B. No. 780

The purpose of this bill is to authorize a homestead lessee who is at least one-quarter Hawaiian to designate a brother or sister who is at least one-quarter Hawaiian to succeed to the leasehold interest in the tract by amending the Hawaiian Homes Commission Act, 1920, as amended (HHCA).

The Department of Hawaiian Home Lands testified in support of this bill.

Your Committees find that Act 12, Session Laws of Hawaii 2002, amended section 208(5) of the HHCA to extend the transfer rights of a lessee who is at least one-quarter Hawaiian to a brother or sister in addition to a spouse, child, or grandchild who is at least one-quarter Hawaiian. However, authority to designate a brother or sister who is at least one-quarter Hawaiian as a successor to the leasehold interest was not included in the amendment. This bill corrects that oversight.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 780 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 Sonson and Waters.

SCRep. 1293 Finance on S.B. No. 778

The purpose of this bill is to make an emergency appropriation for the Department of Education (DOE) to pay for increased costs of required services to students with autism spectrum disorder and for school-based behavioral health services.

DOE, the State Council on Developmental Disabilities, Community Children's Council in Hawaii, Hawaii Disability Rights Center, and several concerned individuals 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. 778, 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 Takamine and Wakai.

SCRep. 1294 Finance on S.B. No. 782

The purpose of this bill is to make an emergency appropriation for the Family Health Services Division of the Department of Health to pay for early intervention services for infants and children.

The Department of Health, State Council on Developmental Disabilities, Good Beginnings Alliance, Hawaii Early Intervention Coordinating Council, and American Academy of Pediatrics 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. 782, 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 Takamine and Wakai.

SCRep. 1295 Finance on S.B. No. 1210

The purpose of this bill is to allow family child care homes and child care businesses located in townhouses and condominium projects, and planned communities to continue operations by extending the authorization of the Family Child Care Home law.

The Department of Human Services 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. 1210 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 Takamine and Wakai.

SCRep. 1296 Finance on S.B. No. 1249

The purpose of this bill is to repeal the Hawaii School-to-Work Executive Council.

The Department of Education 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. 1249 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 Takamine and Wakai.

SCRep. 1297 Finance on S.B. No. 575

The purpose of this bill is to create a King Kamehameha Celebration Commission Fund to be administered by the Hawaii Community Foundation and King Kamehameha Celebration Commissioners to fund the King Kamehameha parade and festivities.

The Office of Hawaiian Affairs and Kamehameha Schools supported this bill. The Department of Accounting and General Services supported the intent of this measure.

Your Committee has amended this bill by making technical, nonsubstantive changes for 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. 575, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 575, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1298 Finance on S.B. No. 637

The purpose of this bill is to help improve public safety by appropriating funds to the Honolulu Police Department (HPD) for the development costs of a 3-1-1 non-emergency reporting system.

HPD, American Heart Association, and Verizon Hawaii supported this bill. T-Mobile USA, Inc. opposed this measure.

Your Committee has amended this bill by changing the effective date to July 1, 2010, to encourage 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. 637, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 637, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1299 Finance on S.B. No. 789

The purpose of this bill is to make an emergency appropriation to enable the Department of Health (DOH) to provide home- and community-based services for the developmentally disabled or mentally retarded. This bill also transfers funds from DOH to the Department of Human Services (DHS) to be used as the State match to claim federal reimbursements for Medicaid eligible services for the Home- and Community-Based Services-Developmentally Disabled/Mentally Retarded Waiver Program.

DOH, DHS, the State Council on Developmental Disabilities, the Disability and Communication Access Board, The Arc in Hawaii, Hawaii Disability Rights Center, and Kona Krafts testified in support of this bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 789, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 789, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1300 Finance on S.B. No. 1699

The purpose of this bill is to enrich the quality of life of Hawaii's people through support of culture and the arts by increasing funding for the Hawaii State Foundation on Culture and the Arts (HFSCA).

The University of Hawaii at Manoa Art Gallery, Maui Arts & Cultural Center, Manoa Journal, Pacific Tsunami Museum, Hawaii Alliance for Arts Education, East Hawaii Cultural Center, Musicians' Association of Hawaii, Diamond Head Theatre, Honolulu Academy of Arts, VSA arts of Hawaii-Pacific, Hawaii Consortium for the Arts, Honolulu Symphony, Honolulu Theatre for Youth, Douglas Trade Shows, The ARTS at Marks Garage, Hawaii Opera Theatre, and numerous individuals testified in support of this bill. HFSCA and Department of Accounting and General Services commented on this measure.

Your Committee has amended this bill by making technical, nonsubstantive amendments for 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. 1699, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1699, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1301 Finance on S.B. No. 1129

The purpose of this bill is to:

- (1) Reduce the reimbursement amount under the Loss Mitigation Grant Program from 50 percent to 35 percent of cost for wind resistive devices;
- (2) Include safe rooms within the definition of wind resistive devices;
- (3) Repeal reimbursement for inspections of wind resistive devices; and
- (4) Appropriate \$1,000,000 from the Hawaii Hurricane Relief Fund (HHRF) to the Loss Mitigation Grant Fund.

A concerned individual supported this bill. The Department of Defense supported the intent of this measure. The Board of Directors of the HHRF opposed this bill. The Department of Budget and Finance does not support this measure.

Your Committee has amended this bill by:

- (1) Deleting the appropriation amounts;
- (2) Changing the effective date to July 1, 2010, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes for 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. 1129, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1129, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Takamine and Wakai.
(Representatives Fox, Meyer, Moses and Pine voted no.)

SCRep. 1302 Consumer Protection & Commerce on S.B. No. 60

The purpose of this bill is to protect consumers of pre-need funeral and interment services, and in particular, those who default by failing to make required payments under the pre-need contract, by:

- (1) Providing that the purchaser may cancel the pre-need contract at any time;
- (2) Requiring that prior to canceling or terminating a contract for default, the cemetery or pre-need funeral authority must give written notice of a purchaser's default, describing the default, the amounts that are delinquent, and explaining how the default can be cured;
- (3) Giving the defaulting purchaser 90 days to cure the default and continue the contract under the same terms and conditions, and the right to receive a statement of the payments made and amounts owed on the contract;
- (4) Entitling purchasers, upon cancellation or default of the contract, to a refund of all amounts paid less an unspecified percentage of the contract price to cover cemetery or authority costs, within 15 business days of cancellation of the contract;
- (5) Requiring the contract to be written in plain and clear language and include, among other things, the total contract price, any credit terms, information about purchaser payments to be placed in trust, and terms of refund, cancellation, and default; and
- (6) Changing the 30 percent of the contract price that a pre-need services business may keep upon default of a contract to cover its costs, to an unspecified percentage.

AARP Hawaii, Funeral Consumers Alliance Hawaii, and numerous individuals supported this bill. The Funeral Consumers Alliance, Inc., supported the bill with amendments. The Department of Commerce and Consumer Affairs supported the bill in part. The Hawaii Allied Memorial Council, Mililani Group, Inc., Hawaiian Memorial Life Plan, Ltd, Dodo Mortuary Life Plan Inc., Paradise Acquisition Inc., and numerous individuals opposed this bill.

Your Committee finds that an increasing number of consumers are entering into pre-need funeral and interment agreements, products that are often purchased by seniors who are vulnerable to unscrupulous sales and business practices. This industry is not regulated by the federal government, and your Committee heard testimony that Hawaii's pre-need laws are among the weakest in the nation.

Your Committee finds that stronger consumer protections are needed for this industry, especially with regard to procedures and rights protecting consumers who default by failing to make required payments on a contract. However, your Committee also believes that the majority of pre-need businesses in Hawaii care for, and work to accommodate the needs of their customers. Regulation of this industry must account for the industry's economic realities, and avoid discouraging competitors from entering the market.

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

- (1) More clearly delineating the 90-day period in which a purchaser may cure a default;
- (2) Increasing from 15 business days, to 30 days, the time within which a pre-need funeral authority must make a refund upon cancellation of a contract;
- (3) Removing the provision that would have changed the percentage of the contract price that a pre-need services business may keep upon default of a contract;
- (4) Changing the effective date from upon approval to January 1, 2006; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 60, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 60, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Kanoho, Saiki and Stonebraker.

SCRep. 1303 Legislative Management on H.C.R. No. 39

The purpose of this concurrent resolution is to request the Auditor to assess the social and financial effects of requiring health insurers to offer coverage for colorectal cancer screening by fecal occult blood testing, flexible sigmoidoscopy, and colonoscopy every ten years beginning at age 50.

Section 23-51, Hawaii Revised Statutes, requires that the Auditor perform a sunrise study before any legislation may be considered that mandates health insurance coverage for specific health services, specific diseases, or for certain providers of health care services as part of individual or group health insurance policies.

The American Cancer Society and Kaiser Permanente testified in support of this measure. The Hawaii Medical Service Association offered comments.

Your Committee finds that an impact assessment will provide the Legislature with findings and information for its decisionmaking.

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. 39, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1304 Transportation on H.R. No. 136

The purpose of this resolution is to attempt to address the need for bus service to the communities of Village Park and Upper Waipahu by requesting the City and County of Honolulu to cooperate with employers of the Village Park and Upper Waipahu communities to arrange for adequate bus services to be provided for residents during the peak commute hours of the workday.

Del Monte Fresh Produce (Hawaii) Inc., testified in support of this measure. The Department of Transportation Services of the City and County of Honolulu submitted comments.

Your Committee understands that many communities across the island of Oahu are experiencing rapid growth and development and that the need exists to provide adequate bus service to these areas. This measure is an attempt to address this situation.

Your Committee has amended this measure by:

- (1) Amending its title to read: "REQUESTING THE CITY AND COUNTY OF HONOLULU TO COOPERATE WITH EMPLOYERS OF THE VILLAGE PARK, UPPER WAIPAHU, WAIPIO, AND GENTRY COMMUNITIES TO ARRANGE FOR ADEQUATE BUS SERVICES TO BE PROVIDED FOR RESIDENTS DURING THE PEAK COMMUTE HOURS OF THE WORKDAY";
- (2) Including the communities of Waipio and Gentry in the request for the arrangement of adequate bus service;
- (3) Requiring that certified copies of this concurrent resolution be sent to the members of the Honolulu City Council; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation 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 Representative Ito.
(Representative Caldwell voted no.)

SCRep. 1305 Transportation on H.C.R. No. 184

The purpose of this concurrent resolution is to attempt to address the need for bus service to the communities of Village Park and Upper Waipahu by requesting the City and County of Honolulu to cooperate with employers of the Village Park and Upper Waipahu communities to arrange for adequate bus services to be provided for residents during the peak commute hours of the workday.

Del Monte Fresh Produce (Hawaii) Inc., testified in support of this measure. The Department of Transportation Services of the City and County of Honolulu submitted comments.

Your Committee understands that many communities across the island of Oahu are experiencing rapid growth and development and that the need exists to provide adequate bus service to these areas. This measure is an attempt to address this situation.

Your Committee has amended this measure by:

- (1) Amending its title to read: "REQUESTING THE CITY AND COUNTY OF HONOLULU TO COOPERATE WITH EMPLOYERS OF THE VILLAGE PARK, UPPER WAIPAHU, WAIPIO, AND GENTRY COMMUNITIES TO ARRANGE FOR ADEQUATE BUS SERVICES TO BE PROVIDED FOR RESIDENTS DURING THE PEAK COMMUTE HOURS OF THE WORKDAY";
- (2) Including the communities of Waipio and Gentry in the request for the arrangement of adequate bus service;
- (3) Requiring that certified copies of this concurrent resolution be sent to the members of the Honolulu City Council; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 184, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 184, H.D. 1.

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

SCRep. 1306 Transportation on H.C.R. No. 182

The purpose of this concurrent resolution is to promote the safety of motorists and pedestrians by requesting the Department of Transportation (DOT) to review and evaluate the practice of erecting roadside memorials.

Several concerned citizens testified in support of this measure. DOT did not support this measure.

The establishment of roadside memorials for victims of motor vehicle crashes by grieving family and friends has become a common practice in Hawaii. Although your Committee understands that these memorials often offer an avenue for the expression of grief and serve as a way to remember loved ones who have died, they are also, at times, a distraction to motorists.

Your Committee understands that DOT has already established a policy regarding roadside memorials but only regarding those in the City and County of Honolulu. Your Committee encourages DOT to apply this policy statewide.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 182 and recommends that it be referred to the Committee on Judiciary.

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

SCRep. 1307 Tourism & Culture on H.R. No. 96

The purpose of this resolution is to request the counties to determine and establish appropriate regulatory requirements for bed and breakfast homes and transient vacation units in their respective counties, including the consideration of imposing a licensing fee to support the enforcement of county policy.

The Bed & Breakfast/Transient Vacation Unit Licensing Committee and numerous concerned citizens supported this resolution. The Department of Planning and Permitting of the City and County of Honolulu opposed this measure. A concerned citizen offered comments.

As affirmed by the record of votes of the members of your Committee on Tourism & Culture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 96 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1308 Tourism & Culture on H.C.R. No. 127

The purpose of this concurrent resolution is to request the counties to determine and establish appropriate regulatory requirements for bed and breakfast homes and transient vacation units in their respective counties, including the consideration of imposing a licensing fee to support the enforcement of county policy.

The Bed & Breakfast/Transient Vacation Unit Licensing Committee and numerous concerned citizens supported this concurrent resolution. The Department of Planning and Permitting of the City and County of Honolulu opposed this measure. A concerned citizen offered comments.

As affirmed by the record of votes of the members of your Committee on Tourism & Culture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 127 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1309 Transportation on H.R. No. 160

The purpose of this resolution is to promote healthier lifestyles and encourage increased physical activity by urging the state and counties to recognize walking and bicycling as fundamental means of recreation and transportation in Hawaii.

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

Obesity, and illnesses linked to this condition such as heart disease and diabetes, are becoming increasingly prevalent in today's society, especially in Hawaii. Walking and bicycling can go a long way in promoting healthier lifestyles, encouraging increased physical activity, and disease prevention.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 160 and recommends its adoption.

Signed by all members of the Committee except Representative Ito.

SCRep. 1310 Transportation on H.C.R. No. 214

The purpose of this concurrent resolution is to promote healthier lifestyles and encourage increased physical activity by urging the state and counties to recognize walking and bicycling as fundamental means of recreation and transportation in Hawaii.

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

Obesity, and illnesses linked to this condition such as heart disease and diabetes, are becoming increasingly prevalent in today's society, especially in Hawaii. Walking and bicycling can go a long way in promoting healthier lifestyles, encouraging increased physical activity, and disease prevention.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 214 and recommends its adoption.

Signed by all members of the Committee except Representative Ito.

SCRep. 1311 Transportation on H.C.R. No. 86

The purpose of this concurrent resolution is to request the Department of Transportation (DOT) to expedite its negotiations with Hawaii Superferry, Inc., and report back to the Legislature on the results of the negotiations by April 1, 2005.

Maui Land & Pineapple Company, Inc., Hawaii Superferry, Inc., and ILWU Local 142 testified in support of this measure. DOT supported the intent of this measure.

Hawaii Superferry, Inc., is currently planning to begin operations of an interisland ferry service in 2006. However, numerous issues regarding the use of the State's harbors for the operation of this interisland passenger and freight ferry service remain unresolved and are currently being negotiated between DOT and Hawaii Superferry, Inc. Your Committee finds that to make informed decisions on any issue regarding the Hawaii Superferry, the Legislature must first receive all relevant information regarding the provision of this service and any expected, as well as, projected impacts of this service.

While your Committee understands that DOT is still in negotiation with Hawaii Superferry, Inc., expeditious completion of negotiations would greatly assist the Legislature in carrying out its duties. Accordingly, your Committee has amended this measure by:

- (1) Urging rather than requesting DOT to expeditiously conclude its negotiations with Hawaii Superferry, Inc.;
- (2) Deleting the deadline of April 1, 2005, for conclusion of negotiations between DOT and Hawaii Superferry, Inc.;
- (3) Requesting that the repayment schedule for any funding provided by DOT for Hawaii Superferry, Inc., be submitted in DOT's report to the Legislature; and
- (4) Requesting that DOT withhold any funding for harbor improvements specifically intended for the accommodation of the Hawaii Superferry if all parties (including other harbor users) are not satisfied as to the outcome of the negotiations between DOT and Hawaii Superferry, Inc.

Technical, nonsubstantive amendments were also made for 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 concurs with the intent and purpose of H.C.R. No. 86, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 86, H.D. 1.

Signed by all members of the Committee except Representative Ito.

SCRep. 1312 Education on H.R. No. 178

The purpose of this resolution is to improve the public education system in Hawaii by requesting the United States Congress to amend the No Child Left Behind Act of 2001 (NCLB) according to the recommendations of February 2005 Final Report of the National Conference of State Legislatures' Task Force on NCLB.

The Department of Education testified in support of this resolution.

Your Committee has amended this resolution by:

- (1) Clarifying that under NCLB, 100 percent student proficiency is required only in the areas of math and reading;
- (2) Deleting the clause that states assistance provided by the schools to help students attain proficiency is not funded by NCLB, because such funding is available;
- (3) Clarifying that NCLB is an under-funded rather than an unfunded mandate; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 178, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 178, H.D. 1.

Signed by all members of the Committee except Representatives Arakaki and Cabanilla.

SCRep. 1313 Education on H.C.R. No. 245

The purpose of this concurrent resolution is to improve the public education system in Hawaii by requesting the United States Congress to amend the No Child Left Behind Act of 2001 (NCLB) according to the recommendations of February 2005 Final Report of the National Conference of State Legislatures' Task Force on NCLB.

The Department of Education testified in support of this concurrent resolution.

Your Committee has amended this concurrent resolution by:

- (1) Clarifying that under NCLB, 100 percent student proficiency is required only in the areas of math and reading;
- (2) Deleting the clause that states assistance provided by the schools to help students attain proficiency is not funded by NCLB, because such funding is available;
- (3) Clarifying that NCLB is an under-funded rather than an unfunded mandate; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 245, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 245, H.D. 1.

Signed by all members of the Committee except Representatives Arakaki and Cabanilla.

SCRep. 1314 Education on H.R. No. 179

The purpose of this resolution is to improve the public education system in Hawaii by requesting the President of the United States and the United States Congress to modify the No Child Left Behind Act of 2001 (NCLB) to allow the states greater flexibility and authority under NCLB, and to provide increased federal funding commensurate with the increased services needed to achieve NCLB requirements.

Additionally, this resolution requests:

- (1) The development of a transparent and uniform process for considering waiver applications;
- (2) The reexamination of the financial consequences for states that choose not to participate in NCLB; and
- (3) An implementation study of federal and state funding, adequate yearly progress provisions, and other significant provisions of NCLB.

The Hawaii State Teachers Association, American Heart Association, and numerous individuals testified in support of this resolution. The Department of Education supported the intent of this measure.

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. 179 and recommends its adoption.

Signed by all members of the Committee except Representatives Arakaki and Cabanilla.

SCRep. 1315 Education on H.C.R. No. 246

The purpose of this concurrent resolution is to improve the public education system in Hawaii by requesting the President of the United States and the United States Congress to modify the No Child Left Behind Act of 2001 (NCLB) to allow the states greater flexibility and authority under NCLB, and to provide increased federal funding commensurate with the increased services needed to achieve NCLB requirements.

Additionally, this concurrent resolution requests:

- (1) The development of a transparent and uniform process for considering waiver applications;
- (2) The reexamination of the financial consequences for states that choose not to participate in NCLB; and
- (3) An implementation study of federal and state funding, adequate yearly progress provisions, and other significant provisions of NCLB.

The Hawaii State Teachers Association, American Heart Association, and numerous individuals testified in support of this concurrent resolution. The Department of Education supported the intent of this measure.

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. 246 and recommends its adoption.

Signed by all members of the Committee except Representatives Arakaki and Cabanilla.

SCRep. 1316 Education on H.R. No. 180

The purpose of this resolution is to legitimize the substantial cost shouldered by the Department of Education (DOE) in hiring private education service providers to assist in meeting the expectations set forth by the No Child Left Behind Act of 2001. Specifically, this measure requests DOE to:

- (1) Compensate education service providers according to the achievement of specific performance goals; and
- (2) Submit a report to the Legislature on the status of the restructuring of each of the 24 schools, that includes:
 - (a) Details of the contract between each school and its education service provider; and
 - (b) An explanation of how DOE intends to create a system of accountability for these education service providers.

The Hawaii State Teachers Association and two concerned individuals testified in support of this resolution. DOE offered comments.

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. 180 and recommends its adoption.

Signed by all members of the Committee except Representatives Arakaki and Cabanilla.

SCRep. 1317 Education on H.C.R. No. 247

The purpose of this concurrent resolution is to legitimize the substantial cost shouldered by the Department of Education (DOE) in hiring private education service providers to assist in meeting the expectations set forth by the No Child Left Behind Act of 2001. Specifically, this measure requests DOE to:

- (1) Compensate education service providers according to the achievement of specific performance goals; and
- (2) Submit a report to the Legislature on the status of the restructuring of each of the 24 schools, that includes:
 - (a) Details of the contract between each school and its education service provider; and
 - (b) An explanation of how DOE intends to create a system of accountability for these education service providers.

The Hawaii State Teachers Association and two concerned individuals testified in support of this concurrent resolution. DOE offered comments.

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. 247 and recommends its adoption.

Signed by all members of the Committee except Representatives Arakaki and Cabanilla.

SCRep. 1318 Health on H.R. No. 170

The purpose of this Resolution is to request the Legislative Reference Bureau to study the competitive practices of health insurers, mutual benefit societies, health maintenance organizations, and any other organization providing health care coverage in Hawaii. Your Committee finds that this would be a repeat of a study that the Bureau conducted during 1994-1995.

Your Committee recognizes the concerns that drive this request for a study. However, your Committee believes that conducting another study will not resolve these underlying concerns, because any desired changes will not actually be implemented by another study. In fact, devoting efforts to an additional study will most likely delay putting eventual solutions into action.

Accordingly, your Committee strongly recommends to your Committee on Consumer Protection & Commerce, to which this Resolution is being referred, to amend this measure by deleting its entire contents and:

- (1) Replacing the "Whereas" provisions with a listing of the concerns of the proponents of this measure; and
- (2) Replacing the "Resolved" provisions with a request that the Insurance Commissioner and the Attorney General:
 - (A) Review the concerns enumerated in the Resolution and take direct action to investigate and, if appropriate, prosecute any actions found to be illegal; and
 - (B) Report to the House of Representatives with respect to all concerns expressed, by specifically submitting drafts of any legislation that would be necessary to rectify each concern raised, along with an explanation of the agencies' position as to the advisability, or lack thereof, of enacting each of the proposed measures.

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. 170 and recommends that it be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

SCRep. 1319 Health on H.C.R. No. 227

The purpose of this Concurrent Resolution is to request the Legislative Reference Bureau to study the competitive practices of health insurers, mutual benefit societies, health maintenance organizations, and any other organization providing health care coverage in Hawaii. Your Committee finds that this would be a repeat of a study that the Bureau conducted during 1994-1995.

Your Committee recognizes the concerns that drive this request for a study. However, your Committee believes that conducting another study will not resolve these underlying concerns, because any desired changes will not actually be implemented by another study. In fact, devoting efforts to an additional study will most likely delay putting eventual solutions into action.

Accordingly, your Committee strongly recommends to your Committee on Consumer Protection & Commerce, to which this Concurrent Resolution is being referred, to amend this measure by deleting its entire contents and:

- (1) Replacing the "Whereas" provisions with a listing of the concerns of the proponents of this measure; and
- (2) Replacing the "Resolved" provisions with a request that the Insurance Commissioner and the Attorney General:
 - (A) Review the concerns enumerated in the Concurrent Resolution and take direct action to investigate and, if appropriate, prosecute any actions found to be illegal; and
 - (B) Report to the Legislature with respect to all concerns expressed, by specifically submitting drafts of any legislation that would be necessary to rectify each concern raised, along with an explanation of the agencies' position as to the advisability, or lack thereof, of enacting each of the proposed measures.

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

Signed by all members of the Committee.

SCRep. 1320 Health on H.R. No. 56

The purpose of this resolution is to request that the State Auditor conduct a sunrise review regarding the regulation of certified athletic trainers.

The Hawaii Athletic Trainers' Association supported this resolution. The Department of Education did not support the measure.

Your Committee finds that although "certified athletic trainers" receive certification through the National Athletic Trainers Association Board of Certification, there is ambiguity of this field as a health care profession. A sunrise review by the State Auditor would provide information on the necessity, if any, of regulating or licensing certified athletic trainers.

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. 56 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1321 Health on H.C.R. No. 67

The purpose of this concurrent resolution is to request that the State Auditor conduct a sunrise review regarding the regulation of certified athletic trainers.

The Hawaii Athletic Trainers' Association supported this concurrent resolution. The Department of Education did not support the measure.

Your Committee finds that although "certified athletic trainers" receive certification through the National Athletic Trainers Association Board of Certification, there is ambiguity of this field as a health care profession. A sunrise review by the State Auditor would provide information on the necessity, if any, of regulating or licensing certified athletic trainers.

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. 67 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1322 Health on H.C.R. No. 233

The purpose of this Concurrent Resolution is to request that the Department of Health broaden the accessibility, distribution, and dissemination of educational material on the diagnosis, treatment, and prevention of hepatitis C.

The American Liver Foundation, Legislative Information Services of Hawaii, Statewide Independent Living Council of Hawaii, Maui Aids Foundation, Hepatitis Hale Treatment and Support Program, Open Door Academy, and two concerned individuals supported this concurrent resolution. The Department of Health (DOH) opposed this concurrent resolution.

Your Committee finds that there is a need to streamline the process by which educational and informational materials on hepatitis C are communicated and disseminated to health care providers and others at high risk of exposure. This concurrent resolution is in alignment with the goals and objectives of the DOH, and would reinforce their ongoing efforts.

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. 233 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1323 Transportation on H.C.R. No. 225

The purpose of this concurrent resolution is to mitigate traffic safety concerns at the intersection of Kalanianaʻole Highway and Ulupii Street in Kailua, Oahu, by requesting the Director of Transportation to undertake a traffic light study at that intersection.

Two concerned individuals testified in support of this measure. The Department of Transportation (DOT) opposed this measure.

Your Committee finds that the intersection of Kalanianaʻole Highway and Ulupii Street in Kailua on the island of Oahu, which is near Maunawili Elementary School, is a particularly congested and hazardous intersection. A traffic signal may be warranted at that intersection and may help to mitigate these dangerous conditions.

Although your Committee understands that DOT conducted a study in this same area in 2004 that found that a traffic signal was not warranted, this study may have been more focused on the Kailua High School side of Kalanianaʻole Highway, which is opposite from the elementary school, and that input from community members on that portion of the highway may not have been solicited. Accordingly, your Committee has amended this measure by requesting the Director of Transportation to:

- (1) Use, as the baseline for this particular study, the "Traffic Signal Warrant Study" for the intersection of Kalanianaʻole Highway and Ulupii Street undertaken and completed in 2004; and
- (2) Obtain community input, especially from community members who use or frequent Maunawili Elementary School, when conducting the traffic light study.

Technical, nonsubstantive amendments were also made for 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 concurs with the intent and purpose of H.C.R. No. 225, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 225, H.D. 1.

Signed by all members of the Committee except Representative Ito.

SCRep. 1324 Health on H.R. No. 30

The purpose of this resolution is to urge the state to work toward achieving universal health care for all its citizens by the year 2012.

No testimony was received on this measure.

Your Committee finds that Hawaii has a history of leading the nation in assuring adequate health care coverage for its citizens. Currently, however, the rapid rise of health care costs and the current increase in the State's need for long-term care has resulted in an increase in the number of uninsured.

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. 30 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1325 Health on H.C.R. No. 34

The purpose of this concurrent resolution is to urge the state to work toward achieving universal health care for all its citizens by the year 2012.

No testimony was received on this measure.

Your Committee finds that Hawaii has a history of leading the nation in assuring adequate health care coverage for its citizens. Currently, however, the rapid rise of health care costs and the current increase in the State's need for long-term care has resulted in an increase in the number of uninsured.

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. 34 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1326 Health on H.C.R. No. 8

The purpose of this concurrent resolution is to raise awareness of the detriments and frequency of cervical cancer within our society by designating the month of January as Cervical Cancer Awareness Month.

The Hawaii Medical Service Association supported this concurrent resolution.

Your Committee finds that native Hawaiian women have the highest rate of cervical cancer in Hawaii, and that increased awareness of cervical cancer has been shown to improve the rate of early detection and complete recovery. This measure would promote statewide awareness of cervical cancer in educating the public on the steps necessary toward facing and conquering this disease.

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. 8 and recommends its adoption.

Signed by all members of the Committee except Representative Nishimoto.

SCRep. 1327 Education on S.B. No. 1253

The purpose of this bill is to clarify a School Community Council's (SCC) authority and responsibilities by requiring a SCC to ensure that the school's academic and financial plans are consistent with the educational accountability system.

The Department of Education, Hawaii State Teachers Association, and Hawaii Laborers-Employees Cooperation Educational Trust testified in support of this bill.

Your Committee has amended this bill to further clarify a SCC's authority and responsibilities by requiring a SCC either to recommend revisions of the school's academic and financial plans to the principal, or approve the plans and recommend that the plans be approved by the complex area superintendent.

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. 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 placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cabanilla and Waters.

SCRep. 1328 Consumer Protection & Commerce on H.R. No. 118

The purpose of this resolution is to reduce the incidence of bulk e-mail or "spam," by requesting the Legislative Reference Bureau to study the issues associated with making the transmission of spam a misdemeanor.

The Legislative Reference Bureau offered comments on this measure.

Your Committee finds that spam costs businesses millions of dollars each year, and inconveniences private users of electronic mail. The study proposed by this measure will give the Legislature perspective on whether providing a criminal penalty for transmitting spam will be helpful in reducing the spam problem.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 118 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Kanoho, Morita, Saiki and Stonebraker.

SCRep. 1329 Consumer Protection & Commerce on H.C.R. No. 158

The purpose of this concurrent resolution is to reduce the incidence of bulk e-mail or "spam," by requesting the Legislative Reference Bureau to study the issues associated with making the transmission of spam a misdemeanor.

The Legislative Reference Bureau offered comments on this measure.

Your Committee finds that spam costs businesses millions of dollars each year, and inconveniences private users of electronic mail. The study proposed by this measure will give the Legislature perspective on whether providing a criminal penalty for transmitting spam will be helpful in reducing the spam problem.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 158 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Kanoho, Morita, Saiki and Stonebraker.

SCRep. 1330 Consumer Protection & Commerce on H.C.R. No. 26

The purpose of this concurrent resolution is to request the Auditor to conduct a sunrise analysis of the profession of archaeology.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs and the Department of Land and Natural Resources.

Your Committee finds that:

- (1) Hawaii is a repository of countless cultural sites containing invaluable cultural materials and resources that should be protected and preserved;

- (2) The profession of archaeology plays a pivotal role in the identification and protection of, and mitigation of damage to, these important cultural sites;
- (3) Landowners and developers often depend on the professional services of archaeologists without realizing what they really do, or how to gauge the quality of their work;
- (4) Consumers of archaeological services are at a serious disadvantage since this profession is unlicensed and devoid of proper oversight and regulation, in spite of the many complaints of the native Hawaiian community; and
- (5) The establishment of a license for professional archaeologists under the Department of Commerce and Consumer Affairs may provide the necessary oversight and regulation of this profession.

Your Committee further notes that under section 26H-6, Hawaii Revised Statutes, a sunrise analysis by the Auditor is required prior to the new regulation of an industry.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 26 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Kanoho, Morita, Saiki and Stonebraker.

SCRep. 1331 Consumer Protection & Commerce on H.C.R. No. 156

The purpose of this concurrent resolution is to evaluate the necessity for professional and vocational regulation in Hawaii by requesting the Auditor to conduct a comparative analysis of regulation in other states and in Hawaii, and to determine whether any such requirements are necessary to protect the health, safety, and welfare of consumers.

Testimony in support of this measure was received from the Department of Commerce and Consumer Affairs and the Hawaii Association of Realtors.

Your Committee finds that governmental regulation of professions and vocations should be eliminated wherever doing so will not jeopardize the health, safety, or welfare of consumers. A comparative analysis of professional and vocational regulations in other states and in Hawaii will serve to identify where Hawaii imposes regulations that are more burdensome than national norms, and will serve as a good starting point for further examining these regulations and determining whether they should be eliminated.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 156 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Kanoho, Morita, Saiki and Stonebraker.

SCRep. 1332 Consumer Protection & Commerce on H.C.R. No. 204

The purpose of this concurrent resolution is to determine whether the regulation of condominium association managers is necessary to protect the public health, safety, or welfare, by requesting the Auditor to conduct a sunrise analysis of the regulation of condominium association managers proposed by S.B. No. 1454, 2003.

Testimony in support of this measure was received from the Real Estate Commission. A concerned individual testified in opposition and suggested amendments. A concerned individual offered comments.

Your Committee finds that it is unclear whether the regulation of condominium association managers is warranted at this time, and whether the regulation proposed would resolve any existing consumer problems with this group. An Auditor's sunrise analysis will provide the Legislature with the information needed to answer these questions.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 204 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Kanoho, Morita, Saiki and Stonebraker.

SCRep. 1333 Consumer Protection & Commerce on H.C.R. No. 172

The purpose of this concurrent resolution is to determine whether payday lenders and deferred deposit check cashers should be subject to increased regulation by the State, by requesting the Auditor to conduct a sunrise review of the registration of these two groups.

Your Committee received testimony in support of this measure from the Legal Aid Society of Hawaii, Hawaii Alliance for Community-Based Economic Development, Hawaii Asset Building Coalition, Asset Building Initiative of Hawaii, and the Service Learning Program of Chaminade University. The Department of Commerce and Consumer Affairs supported the intent of the measure.

Your Committee finds that payday lenders and deferred deposit check cashers provide consumers with short-term loans of relatively small amounts based on a personal check held for future deposit. Concerns have been voiced that this industry takes advantage of its consumers, in part through its high interest rates and coercive collection methods. Your Committee finds that S.B.

No. 1413 was introduced this year to provide for more extensive regulation of the industry under chapter 480F, Hawaii Revised Statutes.

It was suggested at the hearing on this measure that the Auditor review the possibility of regulating, rather than registering the industry. Industry regulation would allow the State to provide additional protections to consumers not possible under a registration program.

In light of this suggestion, your Committee has amended the title of this concurrent resolution so that it requests the Auditor to perform a sunrise review of the regulation of payday lenders and deferred deposit check cashers. Technical, nonsubstantive amendments were also made for style, consistency, and clarity.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce 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 Ito, Kanohe, Morita, Saiki and Stonebraker.

SCRep. 1334 Higher Education on H.R. No. 173

The purpose of this resolution is to promote academic freedom and the generation and dissemination of information, and to safeguard our communities, environment, and native Hawaiian values by urging the University of Hawaii (UH) to abandon the University Affiliated Research Center (UARC).

A member of the Hawaii County Council, Life of the Land, the American Friends Service Committee, and numerous concerned individuals testified in support of this resolution. UH, Referentia Systems, Inc., Strategic Solutions, Inc., and a few concerned individuals opposed this measure.

Your Committee has amended this resolution by:

- (1) Clarifying that UH is urged to abandon establishing UARC;
- (2) Deleting language relating to the funding of UARC;
- (3) Deleting language relating to the lack of consideration for the ethical and moral issues of institutionalizing classified military research and weapons development at UH;
- (4) Deleting background information about other military and classified research projects that have been conducted in Hawaii, including those involving UH, and that have adversely affected people and the environment;
- (5) Deleting language describing the lack of representation in the group of individuals authorized to decide which UARC secret research projects can be conducted; and
- (6) Deleting the provision that states classified military research contradicts the official values of UH as a "Hawaiian place of learning";
- (7) Including a more accurate description of the resolution passed by the UH-Manoa Faculty Senate in light of the establishment of UARC; and
- (8) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 173, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 173, H.D. 1.

Signed by all members of the Committee except Representatives Chang and Hale.
(Representative Cabanilla voted no.)

SCRep. 1335 Higher Education on H.C.R. No. 238

The purpose of this concurrent resolution is to promote academic freedom and the generation and dissemination of information, and to safeguard our communities, environment, and native Hawaiian values by urging the University of Hawaii (UH) to abandon the University Affiliated Research Center (UARC).

A member of the Hawaii County Council, Life of the Land, the American Friends Service Committee, and numerous concerned individuals testified in support of this concurrent resolution. UH, Referentia Systems, Inc., Strategic Solutions, Inc., and a few concerned individuals opposed this measure.

Your Committee has amended this concurrent resolution by:

- (1) Clarifying that UH is urged to abandon establishing UARC;
- (2) Deleting language relating to the funding of UARC;
- (3) Deleting language relating to the lack of consideration for the ethical and moral issues of institutionalizing classified military research and weapons development at UH;

- (4) Deleting background information about other military and classified research projects that have been conducted in Hawaii, including those involving UH, and that have adversely affected people and the environment;
- (5) Deleting language describing the lack of representation in the group of individuals authorized to decide which UARC secret research projects can be conducted; and
- (6) Deleting the provision that states classified military research contradicts the official values of UH as a "Hawaiian place of learning";
- (7) Including a more accurate description of the resolution passed by the UH-Manoa Faculty Senate in light of the establishment of UARC; and
- (8) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 238, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 238, H.D. 1.

Signed by all members of the Committee except Representatives Chang and Hale.
(Representative Cabanilla voted no.)

SCRep. 1336 Transportation on H.C.R. No. 75

The purpose of this concurrent resolution is to protect the marine waters of Hawaii by requesting the Department of Health (DOH) to re-evaluate its memorandum of understanding with the cruise ship industry regarding cruise ship discharges.

The Office of Hawaiian Affairs, Norwegian Cruise Lines, and NCL America testified in support of this measure. The North West Cruiseship Association supported the intent of this measure. DOH did not support this concurrent resolution.

The protection of Hawaii's fragile environment is paramount. Hawaii's coastal waters not only serve as a food source but also play a vital role in the economy of the State, drawing thousands of visitors to these islands each year. Maintaining the viability of our marine ecosystem through the regulation of the numerous activities along our shoreline, such as the cruise ship industry, is an important endeavor that will not only affect today's citizens, but future generations as well.

Your Committee understands that the issue of regulation of discharge into marine waters of this State is a complex one that involves numerous federal regulations which serve as an impetus for this measure. Knowing what can and cannot be achieved through statutory regulations and what will be necessary to achieve full protection for Hawaii's coastal waters is a good first step in saving our environment.

Your Committee has amended this measure by:

- (1) Clarifying that a certified copy of this concurrent resolution be transmitted to the President of the North West Cruiseship Association; and
- (2) Making numerous clarifying and formatting amendments and amendments for 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 concurs with the intent and purpose of H.C.R. No. 75, as amended herein, and recommends that it be referred to the Committee on Energy & Environmental Protection in the form attached hereto as H.C.R. No. 75, H.D. 1.

Signed by all members of the Committee except Representative Ito.

SCRep. 1337 Public Safety & Military Affairs on H.C.R. No. 120

The purpose of this concurrent resolution is to request Hawaii's congressional delegation to petition the Department of Defense to re-evaluate its enlistment policy for individuals who are homeschooled.

The State Department of Defense testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs 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 Education.

Signed by all members of the Committee except Representatives Nakasone, Shimabukuro, Souki and Stonebraker.

SCRep. 1338 Public Safety & Military Affairs on H.C.R. No. 121

The purpose of this measure is to request a financial and management audit of the three divisions within the Department of Public Safety to improve the services and care at Hawaii's prison facilities as well as to maximize staff efficiency and the prudent use of resources by the Department of Public Safety within each division.

Your Committee received testimony in support of this measure from the Community Alliance on Prisons, Woman's Voice International, and two private individuals. Testimony in opposition was received from the Department of Public Safety.

Your Committee believes that although there have been numerous audits of the Department of Public Safety, an audit by the State Auditor is necessary to address solutions to a number of issues. Some of the issues include, but are not limited to, prison

overcrowding, the effects of transferring inmates to mainland facilities, frequent turnover of Department of Public Safety directors, unfilled vacancies, ways to increase savings in overall operations, and the program deficiencies for inmates. Furthermore, an audit is needed to investigate the financial impacts of transferring the Law Enforcement Sheriff's Division to the Department of the Attorney General.

Your Committee has amended this measure to have the State Auditor also audit the following:

- (1) The Correctional Industries; and
- (2) The inmate trust account.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs 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 Nakasone, Shimabukuro, Souki and Stonebraker.

SCRep. 1339 Health on H.C.R. No. 10

The purpose of this concurrent resolution is to create a temporary interdepartmental working group within the Department of Health to develop a means for statewide dissemination of information on emergency contraception information.

The Hawaii Medical Association supported this concurrent resolution. The Department of Health opposed this measure. The Judiciary provided comments.

Your Committee finds that a working group within the Department of Health was formed in 1998 and began efforts to increase and support public and professional awareness of emergency contraceptives. This working group became an interagency emergency working group in 2002 with the assistance of the Healthy Mothers Healthy Baby Coalition of Hawaii and a grant from Advocates for Youth. The Emergency Contraception Interagency Work Group (Interagency Work Group), is currently concentrating on the areas of policy, training, access, and awareness.

As such, this concurrent resolution is amended to formalize the existing working group, and to request that the Interagency Work Group adopt the tasks of this concurrent resolution.

Specifically, your Committee has amended this concurrent resolution by:

- (1) Changing the title to:

"HOUSE CONCURRENT RESOLUTION REQUESTING THE CONTINUATION OF A TEMPORARY INTERDEPARTMENTAL EMERGENCY CONTRACEPTION INFORMATION WORKING GROUP WITHIN THE DEPARTMENT OF HEALTH TO DEVELOP A MECHANISM TO DISSEMINATE INFORMATION ON EMERGENCY CONTRACEPTION STATEWIDE";
- (2) Making emergency contraception available through "emergency contraceptive trained pharmacists who have collaborative agreements with physicians" rather than over-the-counter;
- (3) Deleting the request that the Director of Health convene the working group no later than 30 days after the adoption of this concurrent resolution; and
- (4) Eliminating the sunset date of June 30, 2005.

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. 10, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 10, H.D. 1.

Signed by all members of the Committee except Representative Nishimoto.

SCRep. 1340 Energy & Environmental Protection on H.C.R. No. 272

The purpose of this measure is to request the Legislative Reference Bureau to review House Bill No. 1706, relating to the Uniform Environmental Covenants Act and make recommendations on reasonable alternatives for completing unspecified provisions.

The Commission to Promote Uniform Legislation presented testimony in support of the measure.

The Department of Health presented testimony in support of the measure and offered suggestions.

The Legislative Reference Bureau also presented comments on the measure.

Your Committee finds that uniform environmental covenants would protect the environment and real property through land restrictions, environmental monitoring, and clean-up programs. Your Committee further finds that this measure would address the questions raised during public hearings on H.B. No. 1706 about how the law would be implemented and which agencies would monitor and enforce such covenants.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 272 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll and Kanoho.

SCRep. 1341 Energy & Environmental Protection on H.R. No. 200

The purpose of this measure is to request the Office of Environmental Quality Control and the University of Hawaii Environmental Center to develop and promulgate a guidance document on including principles of environmental justice in all phases of environmental review undertaken pursuant to chapter 343, Hawaii Revised Statutes, and to request that the Legislature appropriate funds for a renewed study of the process during the Regular Session of 2006.

Your Committee finds that this measure will facilitate the Environmental Council, the Office of Environmental Quality Control, and the University of Hawaii Environmental Center in considering the environmental justice issues of proposed actions and in achieving the State's environmental goals and policies.

Your Committee has amended this measure by:

- (1) Specifying that the development of the guidance document involve a wide spectrum of interested parties, including high school students;
- (2) Requesting the Environmental Council to submit, in addition to the guidance document, recommendations for appropriate legislation to update chapter 343, Hawaii Revised Statutes;
- (3) Requesting the Environmental Council to submit its comments, findings, and recommendations on any need to update the State's environmental impact statement process that may be discovered while conducting its review of chapter 343, Hawaii Revised Statutes, for guidance document purposes; provided that these comments, findings, and recommendations may or may not relate to the guidance document itself;
- (4) Clarifying that continued evaluation and improvement of the State's environmental impact statement process may justify the commitment of state funds for a renewed study of the process; and
- (5) Making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 200, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.R. No. 200, H.D. 1.

Signed by all members of the Committee except Representatives Carroll and Kanoho.

SCRep. 1342 Energy & Environmental Protection on H.C.R. No. 271

The purpose of this measure is to request the Office of Environmental Quality Control and the University of Hawaii Environmental Center to develop and promulgate a guidance document on including principles of environmental justice in all phases of environmental review undertaken pursuant to chapter 343, Hawaii Revised Statutes, and to request that the Legislature appropriate funds for a renewed study of the process during the Regular Session of 2006.

Your Committee finds that this measure will facilitate the Environmental Council, the Office of Environmental Quality Control, and the University of Hawaii Environmental Center in considering the environmental justice issues of proposed actions and in achieving the State's environmental goals and policies.

Your Committee has amended this measure by:

- (1) Specifying that the development of the guidance document involve a wide spectrum of interested parties, including high school students;
- (2) Requesting the Environmental Council to submit, in addition to the guidance document, recommendations for appropriate legislation to update chapter 343, Hawaii Revised Statutes;
- (3) Requesting the Environmental Council to submit its comments, findings, and recommendations on any need to update the State's environmental impact statement process that may be discovered while conducting its review of chapter 343, Hawaii Revised Statutes, for guidance document purposes; provided that these comments, findings, and recommendations may or may not relate to the guidance document itself;
- (4) Clarifying that continued evaluation and improvement of the State's environmental impact statement process may justify the commitment of state funds for a renewed study of the process; and
- (5) Making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 271, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.C.R. No. 271, H.D. 1.

Signed by all members of the Committee except Representatives Carroll and Kanoho.

SCRep. 1343 Energy & Environmental Protection on H.R. No. 159

The purpose of this measure is to request the Legislative Reference Bureau to prepare a report comparing the incentives provided by other states to encourage increased photovoltaic generation of electricity.

The measure also requests the Department of Taxation to prepare a report on the projected cost implications to the State of implementing tax credits of the cost of installing residential photovoltaic systems.

The Legislative Reference Bureau, the Public Utilities Commission, Hawaiian Electric Company, and the Hawaii Solar Energy Association presented comments on the measure.

Your Committee finds that the task requested of the Department of Taxation has already been completed. The information regarding the revenue implications of tax credits for photovoltaic systems is available in the Report of the Energy-Efficiency Policy Task Force of 2002. There remains, however, a need for information regarding the potential implications of residential and commercial use of photovoltaic systems on electric utilities and markets. Your Committee further finds that an analysis is needed comparing the future price trends of fossil fuels and photovoltaics, incorporating factors such as recent increases in petroleum prices and the decreasing costs of photovoltaic technology.

Your Committee has amended this measure by deleting the contents of the measure, changing the title, and inserting a provision that requests the Department of Business, Economic Development, and Tourism to prepare a four-part report discussing and examining:

- (1) The historical price trend for photovoltaic electricity use in Hawaii and the mainland United States;
- (2) The historical price trend for utility-provided electricity in Hawaii;
- (3) The date when these two trends are likely to converge; and
- (4) A sensitivity analysis of the previous trends for both financed and non-financed photovoltaic systems, a high and low future price of petroleum, and other factors as determined by the department.

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

Signed by all members of the Committee except Representatives Carroll, Kanoho and Waters.

SCRep. 1344 Energy & Environmental Protection on H.C.R. No. 212

The purpose of this measure is to request the Legislative Reference Bureau to prepare a report comparing the incentives provided by other states to encourage increased photovoltaic generation of electricity.

The measure also requests the Department of Taxation to prepare a report on the projected cost implications to the State of implementing tax credits of the cost of installing residential photovoltaic systems.

The Legislative Reference Bureau, the Public Utilities Commission, Hawaiian Electric Company, and the Hawaii Solar Energy Association presented comments on the measure.

Your Committee finds that the task requested of the Department of Taxation has already been completed. The information regarding the revenue implications of tax credits for photovoltaic systems is available in the Report of the Energy-Efficiency Policy Task Force of 2002. There remains, however, a need for information regarding the potential implications of residential and commercial use of photovoltaic systems on electric utilities and markets. Your Committee further finds that an analysis is needed comparing the future price trends of fossil fuels and photovoltaics, incorporating factors such as recent increases in petroleum prices and the decreasing costs of photovoltaic technology.

Your Committee has amended this measure by deleting the contents of the measure, changing the title, and inserting a provision that requests the Department of Business, Economic Development, and Tourism to prepare a four-part report discussing and examining:

- (1) The historical price trend for photovoltaic electricity use in Hawaii and the mainland United States;
- (2) The historical price trend for utility-provided electricity in Hawaii;
- (3) The date when these two trends are likely to converge; and
- (4) A sensitivity analysis of the previous trends for both financed and non-financed photovoltaic systems, a high and low future price of petroleum, and other factors as determined by the department.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 212, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 212, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Kanoho and Waters.

SCRep. 1345 Education on H.C.R. No. 72

The purpose of this concurrent resolution is to encourage youth to develop their talents, knowledge, and willingness to serve others by requesting the Department of Education to continue to support and develop community partnerships with various organizations and the students of the island of Hawaii to promote positive youth activities.

Honokaa High School and many students from various public schools testified in support of this measure.

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. 72 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Chang and Kahikina.

SCRep. 1346 Human Services on H.R. No. 130

The purpose of this resolution is to request that the Department of Human Services (DHS) implement a pilot program that would allow the Hawaii Association of Independent Schools (HAIS) to oversee regulation and management of private preschools.

DHS and HAIS testified in support of this measure. Good Beginnings Alliance submitted comments on this measure.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 130 and recommends that it be referred to the Committee on Education.

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

SCRep. 1347 Human Services on H.C.R. No. 175

The purpose of this concurrent resolution is to request that the Department of Human Services (DHS) implement a pilot program that would allow the Hawaii Association of Independent Schools (HAIS) to oversee regulation and management of private preschools.

DHS and HAIS testified in support of this measure. Good Beginnings Alliance submitted comments on this measure.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 175 and recommends that it be referred to the Committee on Education.

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

SCRep. 1348 Human Services on H.C.R. No. 9

The purpose of this concurrent resolution is to request that the Department of Human Services (DHS):

- (1) Address the shortage of infant and toddler child care providers in the State;
- (2) Examine existing regulations and licensing requirements for infant and child care providers, facilities, and services for infants and toddlers in the State; and
- (3) Identify methods by which more infant and toddler child care providers can be recruited and retained to properly staff infant and toddler child care facilities in the State.

The Good Beginnings Alliance supported this measure. DHS submitted comments.

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

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

SCRep. 1349 Human Services on H.C.R. No. 278

The purpose of this concurrent resolution is to promote public accountability by requesting the Department of Human Services (DHS) to post budget information, including specific details on expenditures under the Temporary Assistance to Needy Families program, on DHS's website for public review.

DHS, National Association of Social Workers, Welfare and Employment Rights Coalition, and a concerned individual supported this measure.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 278 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1350 Human Services on H.R. No. 27

The purpose of this resolution is to urge each of the counties to establish a Senior Tax Work-Off Program (Program) to allow senior citizens to work for county offices to earn an amount to be credited to the payment of their property taxes.

The Hawaii Association of REALTORS testified in support of this measure.

Your Committee has amended this resolution by:

- (1) Focusing the Program on low-income seniors at or below 200 percent of the federal poverty level; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 27, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 27, H.D. 1.

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

SCRep. 1351 Finance on H.C.R. No. 28

The purpose of this concurrent resolution is to urge each of the counties to establish a Senior Tax Work-Off Program (Program) to allow senior citizens to work for county offices to earn an amount to be credited to the payment of their property taxes.

The Hawaii Association of REALTORS testified in support of this measure.

Your Committee has amended this concurrent resolution by:

- (1) Focusing the Program on low-income seniors at or below 200 percent of the federal poverty level; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 28, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 28, H.D. 1.

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

SCRep. 1352 Human Services on H.C.R. No. 29

The purpose of this concurrent resolution is to request each of the counties, family courts in all circuits, and the Office of Youth Services (OYS) to collaborate on the development of an action plan that:

- (1) Assesses the needs of at-risk youth;
- (2) Identifies programs, services, and strategies to address the needs of at-risk youth; and
- (3) Provides safe alternatives to incarceration for at-risk youth on each island.

This concurrent resolution also requests that the involved agencies cooperate to remove barriers to developing safe alternatives to incarceration for at-risk youth on each island.

OYS, the Hawaii Juvenile Justice State Advisory Council, Hawaii Youth Services Network (HYSN), Hawaii Disability Rights Center, and Hawaii Juvenile Justice Project (HJJP) testified in support of this concurrent resolution.

Your Committee finds that many stakeholders are interested in working together to improve, implement, and sustain a comprehensive range of services and programs for at-risk youth and their families.

Your Committee has amended this concurrent resolution by:

- (1) Amending its title to read: "REQUESTING THE COUNTIES, FAMILY COURTS, GOVERNMENT AGENCIES, AND PRIVATE ORGANIZATIONS, TO COLLABORATE WITH THE OFFICE OF YOUTH SERVICES ON THE DEVELOPMENT OF AN ACTION PLAN TO ASSESS THE NEEDS OF AT-RISK YOUTH, IDENTIFY PROGRAMS, SERVICES, AND STRATEGIES TO ADDRESS THEIR NEEDS, AND PROVIDE SAFE ALTERNATIVES TO INCARCERATION FOR YOUTH STATEWIDE";
- (2) Including the Department of Health Mental Services Division, Department of Education, Department of Human Services, Hawaii Youth Services Network, and Hawaii Juvenile Justice Project to the list of participants; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 29, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.C.R. No. 29, H.D. 1.

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

SCRep. 1353 Consumer Protection & Commerce on H.C.R. No. 113

The purpose of this concurrent resolution is to evaluate the Hawaii Insurance Bureau's (Bureau's) Fire Rating Program (Program) by requesting that the Insurance Commissioner, Hawaii Insurers Council, and the Bureau report to the 2006 Legislature on the Program's effectiveness.

The Bureau and Insurance Commissioner of the Department of Commerce and Consumer Affairs supported this concurrent resolution.

Your Committee finds that the Bureau acts as a rating organization for property and casualty insurers in Hawaii. The Bureau has a fire rating program that collects information about public fire protection in each fire district in the state, which consists of a five, all-weather road miles radius around a fire station. Each district is given a public protection classification (PPC), a number from one to ten, with one representing exemplary fire protection, and ten, that the area's fire-suppression program does not meet minimum criteria.

Statistical data on insurance losses shows that there is a relationship between a high level of fire protection as measured by the PPC, and low fire losses. The Bureau disseminates PPC information to all property and casualty insurers; however, insurers are not required to use these classifications in establishing their rates.

Your Committee finds that this concurrent resolution will provide the Legislature with information about the Bureau's Program that will allow an evaluation of how the costs of the risks of fire are distributed among policyholders in Hawaii.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 113 and recommends its adoption.

Signed by all members of the Committee except Representatives Ito, Kanoho, Morita, Saiki and Stonebraker.

SCRep. 1354 Economic Development & Business Concerns/Tourism & Culture on H.C.R. No. 5

The purpose of this concurrent resolution is to request that the Governor, Legislature, and Hawaii business leaders discuss with Hawaii's congressional delegation the possibilities and advantages of expanding and enhancing Hawaii's Free Trade Zone Program.

The Department of Business, Economic Development, and Tourism supported the intent of this measure. The Nature Conservancy of Hawaii supported using this measure as a vehicle to encourage the creation of a South Kona-Ka'u Coastal Conservation Partnership (Partnership).

Your Committees agree with the recommendations made by the Nature Conservancy of Hawaii and therefore have amended this concurrent resolution by deleting its contents and replacing it with language that requests the Office of Planning to establish the Partnership.

As amended, this concurrent resolution requests that the Partnership:

- (1) Identify areas to be targeted for protection;
- (2) Identify mechanisms and funding sources to protect and manage the selected areas;
- (3) Propose future uses for the areas that are in keeping with the goals of protecting and preserving the areas; and
- (4) Propose methods of protecting the area wildlife.

This concurrent resolution has also been amended by changing the title to:

"REQUESTING THE OFFICE OF PLANNING TO ESTABLISH A SOUTH KONA-KA'U COASTAL CONSERVATION PARTNERSHIP."

As affirmed by the records of votes of the members of your Committees on Economic Development & Business Concerns and Tourism & Culture that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 5, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 5, H.D. 1.

Signed by all members of the Committee.

SCRep. 1355 Water, Land, & Ocean Resources on H.C.R. No. 78

The purpose of this concurrent resolution is to protect manta rays in Hawaii by requesting the Department of Land and Natural Resources (DLNR) to study the feasibility of establishing penalties for the capture or destruction of manta rays within the marine waters of Hawaii.

DLNR commented on this measure.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources 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 Berg, Waters and Meyer.

SCRep. 1356 Water, Land, & Ocean Resources on H.C.R. No. 88

The purpose of this concurrent resolution is to protect and preserve Hawaii's natural beauty by requesting the Department of Land and Natural Resources (DLNR) to consider imposing restrictions on public access to the Ahihi-Kinaiu Natural Area Reserve.

DLNR testified in support of this measure.

The Ahihi-Kinai Natural Area Reserve contains numerous ancient Hawaiian archaeological and cultural sites, as well as unique biological and geological areas that must be preserved. Limiting public access to some of these fragile environments may be a first step to protecting and maintaining these areas for future generations.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 88 and recommends its adoption.

Signed by all members of the Committee except Representatives Berg, Waters and Meyer.

SCRep. 1357 Water, Land, & Ocean Resources on H.C.R. No. 91

The purpose of this concurrent resolution is to help preserve marine ecosystems and coasts by requesting the Department of Land and Natural Resources (DLNR) to:

- (1) Actively participate in the federal program administered by the U.S. Department of Transportation, Maritime Administration, providing states with federal funds to offset the cost of remediating scrapped federal maritime ships for use as artificial reefs;
- (2) Designate the Waianae coast as its initial location for sinking any acquired scrapped federal ship to establish an artificial reef; and
- (3) Report to the Legislature on its efforts to comply with this measure at least 20 days prior to the convening of the 2006 Regular Session.

DLNR and the Maritime Consultants of the Pacific testified in support of this measure.

Your Committee finds that scrapped maritime vessels serve as excellent artificial reefs that provide an ideal habitat for marine life, help create additional surf breaks, and diminish beach erosion. The Waianae coast, a popular site for recreational and commercial fishing, is one area in particular that would benefit from the creation of additional artificial reefs to maintain or increase marine life populations. However, the necessary remediation of scrapped vessels to remove harmful pollutants is often costly. The State's participation in federal programs offsetting the cost of remediating scrapped federal ships will render the use of these vessels as artificial reefs more economically feasible.

Your Committee also notes DLNR's testimony that DLNR:

- (1) Participates in the Navy's ship disposal program in obtaining vessels from Pearl Harbor for use in its artificial reef program; and
- (2) Has designated an artificial reef site at Waianae and will attempt to find an appropriate vessel for that site.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 91 and recommends its adoption.

Signed by all members of the Committee except Representatives Carroll, Morita and Schatz.

SCRep. 1358 Public Safety & Military Affairs on H.C.R. No. 249

The purpose of this Concurrent Resolution is to urge the Congress of the United States to authorize and appropriate funds to allow all members of the Armed Forces Reserves to have access to the TRICARE program. Current law allows members of the National Guard and Reserves to receive only one year of cost-share TRICARE health benefits for every ninety-day period of active duty.

Testimony in support of this measure was received from the State Department of Defense, Hawaii National Guard Association and the Hawaii National Guard Enlisted Association.

Your Committee believes that providing our National Guard and Reserve members with access to TRICARE health benefits would maintain the health of our reserve component service members, increase retention and recruitment, and ensure readiness for unexpected deployments.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 249 and recommends its adoption.

Signed by all members of the Committee except Representatives Nakasone, Shimabukuro, Souki and Stonebraker.

SCRep. 1359 Energy & Environmental Protection/Higher Education on H.C.R. No. 141

The purpose of this measure is to request the Department of Health to actively monitor levels of sulfur dioxide in the Puna and Ka'u areas of the island and establish a vog index advisory program.

The United States Environmental Protection Agency has found that sulfur dioxide contributes to respiratory illness, particularly in children and the elderly and aggravates existing heart and lung disease. While the Department of Health maintains vog monitoring stations in Hilo and Kona and a vog index advisory program for Kona, other areas of the island of Hawaii have not received the benefit of such services. Your Committees are concerned with the impacts that volcanic emission, including sulfur dioxide and pollutants formed from sulfur dioxide, have on public health on the island of Hawaii. In this regard, the rapid growth in population on the island of Hawaii has led to a heightened concern for the health of Hawaii residents.

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

Your Committees have amended the measure to address the foregoing concerns by:

- (1) Changing the title to apply to the entire island of Hawaii;
- (2) Urging the Department of Health to actively monitor levels of sulfur dioxide and establish a vog index advisory program for the entire island of Hawaii;
- (3) Requesting the Department of Health to begin a dialogue with the National Oceanic and Atmospheric Administration's Mauna Loa Observatory and their Hawaii High School Vog Monitoring Network; and
- (4) Making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Higher Education that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 141, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 141, H.D. 1.

Signed by all members of the Committee except Representatives Arakaki, Cabanilla, Carroll, Hale, Kanoho, Morita, Schatz, Takumi and Finnegan.

SCRep. 1360 Health on H.R. No. 90

The purpose of this resolution is to honor the tremendous efforts and initiative that Representative Roy M. Takumi and Senator Ron Menor took upon themselves to lead the way in providing the means for Hawaii's consumers to purchase affordable prescription drugs by renaming the Hawaii Rx Plus Prescription Drug Program the "Takumi-Menor Affordable Prescription Drug Program."

AARP Hawaii, Hawaii State AFL-CIO, ILWU Local 142, Faith Action for Community Equity, and several concerned individuals supported this resolution.

Your Committee finds that the tenacity and diligence shown by Representative Roy M. Takumi and Senator Ron Menor is deserving of proper recognition for initiating and guiding the movement to provide affordable prescription drugs to Hawaii's consumers. Renaming the Hawaii Rx Plus Prescription Drug Program the "Takumi-Menor Affordable Prescription Drug Program" is a simple method of thanks and appreciation for their instrumental leadership in carrying through this legislation which has benefited so many.

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. 90 and recommends its adoption.

Signed by all members of the Committee except Representative Cabanilla.

SCRep. 1361 Health on H.C.R. No. 117

The purpose of this concurrent resolution is to honor the tremendous efforts and initiative that Representative Roy M. Takumi and Senator Ron Menor took upon themselves to lead the way in providing the means for Hawaii's consumers to purchase affordable prescription drugs by renaming the Hawaii Rx Plus Prescription Drug Program the "Takumi-Menor Affordable Prescription Drug Program."

AARP Hawaii, Hawaii State AFL-CIO, ILWU Local 142, Faith Action for Community Equity, and several concerned individuals supported this concurrent resolution.

Your Committee finds that the tenacity and diligence shown by Representative Roy M. Takumi and Senator Ron Menor is deserving of proper recognition for initiating and guiding the movement to provide affordable prescription drugs to Hawaii's consumers. Renaming the Hawaii Rx Plus Prescription Drug Program the "Takumi-Menor Affordable Prescription Drug Program" is a simple method of thanks and appreciation for their instrumental leadership in carrying through this legislation which has benefited so many.

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. 117 and recommends its adoption.

Signed by all members of the Committee except Representative Cabanilla.

SCRep. 1362 Water, Land, & Ocean Resources on S.B. No. 1883

The purpose of this bill is to ensure sustainable stocks of fish by designating the Miloli'i Fisheries Management Area a community based subsistence fishing area.

The Office of Hawaiian Affairs and The Nature Conservancy of Hawaii testified in support of this bill. The Department of Land and Natural Resources does not support this measure.

Once an area is statutorily designated a community based subsistence area, your Committee is concerned with its territorial implications, including questions as to the exclusivity of the affected community's uses of subsistence resources that may promote user conflicts.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2010, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1883, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1883, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Berg, Waters and Meyer.

SCRep. 1363 Water, Land, & Ocean Resources/Energy & Environmental Protection on S.B. No. 1893

The purpose of this bill is to protect conservation-zoned land by:

- (1) Allowing a private or public landowner to apply for a site plan approval permit for the removal of noxious trees located within the landowner's conservation-zoned property; and
- (2) Establishing that an environmental assessment or an environmental impact statement shall not be required for the application for a site plan approval permit, unless the Department of Land and Natural Resources (DLNR) determines that the removal of noxious trees will have a significant effect on the environment.

A member of the Maui County Council and the Land Use Research Foundation of Hawaii supported this bill. The Nature Conservancy of Hawaii and the Environmental Center of the University of Hawaii supported the intent of this measure. DLNR opposed this bill.

Your Committees find that an expedited permitting process is essential in dealing with fast-spreading and harmful alien plant species that are devastating Hawaii's environment. Furthermore, your Committees find that the term "noxious trees" may cause confusion and limit the effectiveness of this bill in combating alien plant species.

Upon careful consideration, your Committees have amended this measure by deleting its contents and inserting the substance of H.B. No. 1237, H.D. 1, with additional amendments. As amended, this bill:

- (1) Allows a landowner participating in the Watershed Partnership Program to use the more expeditious permit and site plan approval process to remove alien plant species located within the landowner's conservation-zoned property;
- (2) Establishes that an environmental assessment or an environmental impact statement shall not be required for the application for the permit and site plan approval, unless DLNR determines that the removal of alien plant species will have a significant effect on the environment; and
- (3) Contains an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Energy & Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1893, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1893, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1364 Education/Human Services on S.B. No. 1018

The purpose of this bill is to improve the efficiency of the administration of private preschools by exempting private preschools and their programs that are part of a licensed elementary school from the licensing requirements imposed by the Department of Human Services (DHS).

The Hawaii Association of Independent Schools (HAIS) testified in support of this bill. The Hawaii Catholic Conference and Good Beginnings Alliance supported the intent of this measure. DHS and the Hawaii Association for the Education of Young Children opposed this bill.

Your Committees have amended this bill by:

- (1) Specifying that a private preschool and its programs that are part of an elementary school that has been licensed or accredited, pursuant to a memorandum of understanding between DHS and the organizations recognized and approved by the state to license or accredit these private preschools, are exempt from the licensing requirements imposed by DHS;
- (2) Creating a temporary private preschool licensing and accreditation task force to develop licensing and accreditation standards, policies, and procedures, including health and safety standards, for private elementary schools serving children under the age of five; and
- (3) Changing the effective date to July 1, 2005, and providing that the exemption from DHS regulation for licensed or accredited private preschools does not take effect unless and until the date that the memorandum of understanding is signed.

As affirmed by the records of votes of the members of your Committees on Education and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1018, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1018, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Stonebraker.

SCRep. 1365 Finance on S.B. No. 842

The purpose of this bill is to clarify the applicability of withholding requirements under the Hawaii Real Property Tax Act to nonresident, single-member limited liability companies that have elected not to be taxed as corporations.

The Department of Taxation supported this bill. The Tax Foundation of Hawaii provided 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. 842, 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 Takamine and Wakai.

SCRep. 1366 Finance on S.B. No. 459

The purpose of this bill is to improve the law governing special purpose revenue bonds (SPRBs) and assist Hawaii Pacific Health by:

- (1) Broadening the definition of "project agreement" in regard to authorizing the issuance of SPRBs to assist nonprofit health care facilities; and
- (2) Authorizing \$30,000,000 in SPRBs to Hawaii Pacific Health to finance the acquisition or construction of health care facilities.

Hawaii Pacific Health supported this bill. The Department of Budget and Finance submitted comments.

Your Committee has amended this bill by changing the effective date to July 1, 2010, to encourage 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. 459, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 459, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1367 Finance on S.B. No. 943

The purpose of this bill is to fund all collective bargaining cost items negotiated for state employees in Collective Bargaining Unit (2). In addition, this bill funds the salary increases for certain state officers and employees who are excluded from collective bargaining and belong to the same compensation plans as persons from Unit (2), and those employees in Unit (2) who are employees of the Hawaii Health Systems Corporation.

The Office of Collective Bargaining and Managed Competition and Hawaii Government Employees Association Managerial and Confidential Employees Chapter testified in support of this bill.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2006; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 943, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 943, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1368 Finance on S.B. No. 944

The purpose of this bill is to fund all collective bargaining cost items negotiated for state employees in Collective Bargaining Units (1) and (10). In addition, this bill funds the salary increases for certain state officers and employees who are excluded from collective bargaining and belong to the same compensation plans as persons from Units (1) and (10).

The Office of Collective Bargaining and Managed Competition and Hawaii Government Employees Association testified in support of this bill.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2006; and

- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 944, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 944, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1369 Finance on S.B. No. 945

The purpose of this bill is to fund all collective bargaining cost items negotiated for state employees in Collective Bargaining Unit (5). In addition, this bill funds the salary increases and other cost adjustments for certain state officers and employees who are excluded from collective bargaining and belong to the same compensation plans as persons from Unit (5).

The Office of Collective Bargaining supported this bill. The Hawaii State Teachers Association supported this bill and suggested amendments.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2006; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 945, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 945, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1370 Finance on S.B. No. 1045

The purpose of this bill is to fund all collective bargaining cost items negotiated for state employees in Collective Bargaining Unit (3). In addition, this bill funds the salary increases and other cost adjustments for certain state officers and employees who are excluded from collective bargaining and belong to the same compensation plans as persons from Unit (3).

The Office of Collective Bargaining and Hawaii Government Employees Association Managerial and Confidential Employees Chapter supported this bill.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2006; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1045, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1045, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1371 Finance on S.B. No. 1046

The purpose of this bill is to fund all collective bargaining cost items negotiated for state employees in Collective Bargaining Unit (6). In addition, this bill funds the salary increases and other cost adjustments for certain state officers and employees who are excluded from collective bargaining and belong to the same compensation plans as persons from Unit (6).

The Office of Collective Bargaining and the Hawaii Government Employees Association Managerial and Confidential Employees Chapter supported this bill.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2006; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1046, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1046, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1372 Finance on S.B. No. 1047

The purpose of this bill is to fund all collective bargaining cost items negotiated for state employees in Collective Bargaining Unit (4). In addition, this bill funds the salary increases and other cost adjustments for certain state officers and employees who are excluded from collective bargaining and belong to the same compensation plans as persons from Unit (4), and those employees in Unit (4) who are employees of the Hawaii Health Systems Corporation.

The Office of Collective Bargaining and Managed Competition and Hawaii Government Employees Association Managerial and Confidential Employees Chapter testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2006; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1047, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1047, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1373 Finance on S.B. No. 1048

The purpose of this bill is to fund all collective bargaining cost items negotiated for state employees in Collective Bargaining Unit (8). In addition, this bill funds the salary increases and other cost adjustments for certain state officers and employees who are excluded from collective bargaining and belong to the same compensation plans as persons from Unit (8), and those employees in Unit (8) who are employees of the Hawaii Health Systems Corporation.

The Office of Collective Bargaining and Managed Competition and Hawaii Government Employees Association Managerial and Confidential Employees Chapter testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2006; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1048, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1048, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1374 Finance on S.B. No. 1049

The purpose of this bill is to fund all collective bargaining cost items negotiated for state employees in Collective Bargaining Unit (9). In addition, this bill funds the salary increases and other cost adjustments for certain state officers and employees who are excluded from collective bargaining and belong to the same compensation plans as persons from Unit (9), and those employees in Unit (9) who are employees of the Hawaii Health Systems Corporation.

The Office of Collective Bargaining and Managed Competition and Hawaii Government Employees Association Managerial and Confidential Employees Chapter testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2006; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

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

SCRep. 1375 Finance on S.B. No. 1050

The purpose of this bill is to fund all collective bargaining cost items negotiated for state employees in Collective Bargaining Unit (13). In addition, this bill funds the salary increases and other cost adjustments for certain state officers and employees who are excluded from collective bargaining and belong to the same compensation plans as persons from Unit (13), and those employees in Unit (13) who are employees of the Hawaii Health Systems Corporation.

The Office of Collective Bargaining and Managed Competition and Hawaii Government Employees Association Managerial and Confidential Employees Chapter testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2006; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1050, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1050, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1376 Finance on S.B. No. 1579

The purpose of this bill is to fund, for fiscal biennium 2005-2007, cost items relating to the Employer-Union Health Benefits Trust Fund for Collective Bargaining Unit (1) and their excluded counterparts belonging to the same compensation plans.

The Office of Collective Bargaining and Managed Competition and Hawaii Government Employees Association-Managerial and Confidential Employees Chapter testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2006, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1579, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1579, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1377 Finance on S.B. No. 1580

The purpose of this bill is to fund all collective bargaining cost items negotiated for state employees in Collective Bargaining Unit (5) relating to the Employer-Union Health Benefits Trust Fund (EUTF). In addition, this bill funds the EUTF costs for certain state officers and employees who are excluded from collective bargaining and belong to the same compensation plans as persons from Unit (5).

The Office of Collective Bargaining and Managed Competition and Hawaii State Teachers Association testified in support of this bill.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2006; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1580, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1580, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1378 Finance on S.B. No. 1581

The purpose of this bill is to fund Health Employer-Union Health Benefits Trust Fund costs negotiated for state employees in Collective Bargaining Unit (7). In addition, this bill funds the Health Employer-Union Health Benefits Trust Fund costs for certain state officers and employees who are excluded from collective bargaining and belong to the same compensation plans as persons from Unit (7).

The Office of Collective Bargaining supported this bill.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2006; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1581, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1581, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1379 Finance on S.B. No. 1582

The purpose of this bill is to fund, for fiscal biennium 2005-2007, cost items relating to the Employer-Union Health Benefits Trust Fund for Collective Bargaining Unit (9) and their excluded counterparts belonging to the same compensation plans.

The Office of Collective Bargaining and Managed Competition testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2006, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1582, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1582, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1380 Finance on S.B. No. 1583

The purpose of this bill is to fund, for fiscal biennium 2005-2007, cost items relating to the Employer-Union Health Benefits Trust Fund for Collective Bargaining Unit (10) and their excluded counterparts belonging to the same compensation plans.

The Office of Collective Bargaining and Managed Competition and Hawaii Government Employees Association Managerial and Confidential Employees Chapter testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2006; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1583, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1583, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1381 Finance on S.B. No. 1584

The purpose of this bill is to fund, for fiscal biennium 2005-2007, cost items relating to the Employer-Union Health Benefits Trust Fund for Collective Bargaining Unit (11) and their excluded counterparts belonging to the same compensation plans.

The Office of Collective Bargaining and Managed Competition, Hawaii Government Employees Association Managerial and Confidential Employees Chapter, and Hawaii Fire Fighters Association, Local 1463, LAFF, AFL-CIO, testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2006; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1584, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1584, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1382 Finance on S.B. No. 1585

The purpose of this bill is to fund, for fiscal biennium 2005-2007, cost items relating to the Employer-Union Health Benefits Trust Fund for Collective Bargaining Units (2), (3), (4), (6), (8), and (13) and their excluded counterparts belonging to the same compensation plans.

The Office of Collective Bargaining and Managed Competition testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2006; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1585, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1585, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1383 Consumer Protection & Commerce on H.C.R. No. 36

The purpose of this concurrent resolution is to improve detection and treatment of prostate cancer by requesting the Auditor to perform a study on the social and financial implications of requiring health insurers to offer coverage of medical procedures for the early detection of prostate cancer in accordance with nationally recognized and accepted prostate cancer early detection guidelines.

Testimony in support of this measure was submitted by Kaiser Permanente, the American Cancer Society, and the National Prostate Cancer Coalition. The Hawaii Medical Service Association offered comments.

Your Committee finds that:

- (1) Prostate cancer victims who do not benefit from early detection are among the nearly 100 men who die each year in Hawaii from the disease;
- (2) The early detection of prostate cancer is vital to preventing its debilitating and deadly effects by beginning the appropriate treatment regimen at the earliest possible time, and thereby increasing the chances of a full recovery for those afflicted with the disease; and
- (3) Section 23-51, Hawaii Revised Statutes, establishes that before any legislative measure that mandates health insurance coverage for specific health services, diseases, or certain providers of health care services as part of individual or group health insurance policies can be considered, a concurrent resolution, requesting the Auditor to prepare and submit to the Legislature a report that assesses the social and financial effects of the proposed mandated coverage, must be adopted by the Legislature.

Your Committee notes that this measure requests the Auditor to conduct and submit to the Legislature an impact assessment report of the social and financial impacts of mandating coverage for annual screening of prostate cancer in accordance with the prostate cancer early detection guidelines of certain health-related organizations, including the National Comprehensive Cancer Network.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 36, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Kanoho, Morita, Saiki and Stonebraker.

SCRep. 1384 International Affairs on H.R. No. 148

The purpose of this Resolution is to urge the State of Hawaii to adopt the contents and mandates of the Convention on the Rights of the Child.

The Representative from the Eighteenth State House District spoke in strong support of the measure.

Your Committee has amended this Resolution by inserting another resolution clause urging the President to request Congress to ratify the Convention on the Rights of the Child.

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. 148, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.R. No. 148, H.D. 1.

Signed by all members of the Committee except Representative Cabanilla.

SCRep. 1385 International Affairs on H.C.R. No. 196

The purpose of this Concurrent Resolution is to urge the State of Hawaii to adopt the contents and mandates of the Convention on the Rights of the Child.

The Representative from the Eighteenth State House District spoke in strong support of the measure.

Your Committee has amended this Concurrent Resolution by inserting another resolution clause urging the President to request Congress to ratify the Convention on the Rights of the Child.

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. 196, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.C.R. No. 196, H.D. 1.

Signed by all members of the Committee except Representative Cabanilla.

SCRep. 1386 Hawaiian Affairs on H.C.R. No. 103

The purpose of this concurrent resolution is to request the Office of the Auditor to conduct a management, program, and financial audit of the Department of Hawaiian Home Lands (DHHL), including a review and analysis of all sources of funding used or managed by DHHL.

The Representative from the 44th House District and a concerned individual testified in support of this measure. Following your Committee's decision-making, DHHL submitted late testimony in support of this concurrent resolution.

In 2002, a financial audit revealed several problems with DHHL's financial operations. Accordingly, a follow-up audit would prove useful in determining the extent to which DHHL has addressed the problems identified in the previous audit. Moreover, expanding the scope of the follow-up audit to include management issues would provide further insight into the operation of DHHL as a whole.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 103 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morita, Saiki and Finnegan.

SCRep. 1387 Hawaiian Affairs on H.R. No. 33

The purpose of this resolution is to enable native Hawaiians to attain greater economic success and personal well-being by providing them with increased access to college financial aid. This measure:

- (1) Recognizes native Hawaiians and other Pacific Islanders as an underrepresented minority group; and
- (2) Urges all scholarships, fellowships, and other academic programs which give preference or limit access to underrepresented minorities to recognize native Hawaiians and other Pacific Islanders as a distinct and underrepresented minority.

The University of Hawaii, Department of Education, Office of Hawaiian Affairs, and a concerned individual testified in support of this measure.

Although native Hawaiians and other Pacific Islanders remain underrepresented in higher education, they are not afforded the same consideration as other minorities, such as African Americans, Hispanics, and Asians, by the overwhelming majority of scholarships, fellowships, and other academic programs.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 33 and recommends that it be referred to the Committee on International Affairs.

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

SCRep. 1388 Hawaiian Affairs on H.C.R. No. 41

The purpose of this concurrent resolution is to enable native Hawaiians to attain greater economic success and personal well-being by providing them with increased access to college financial aid. This measure:

- (1) Recognizes native Hawaiians and other Pacific Islanders as an underrepresented minority group; and
- (2) Urges all scholarships, fellowships, and other academic programs which give preference or limit access to underrepresented minorities to recognize native Hawaiians and other Pacific Islanders as a distinct and underrepresented minority.

The University of Hawaii, Department of Education, Office of Hawaiian Affairs, and a concerned individual testified in support of this measure.

Although native Hawaiians and other Pacific Islanders remain underrepresented in higher education, they are not afforded the same consideration as other minorities, such as African Americans, Hispanics, and Asians, by the overwhelming majority of scholarships, fellowships, and other academic programs.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 41 and recommends that it be referred to the Committee on International Affairs.

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

SCRep. 1389 Hawaiian Affairs on H.R. No. 147

The purpose of this resolution is to preserve and maintain the Hawaiian culture by urging the Legislature to support the United Nations (UN) Declaration on the Rights of Indigenous Peoples.

Three concerned individuals testified in support of this resolution.

Among other things, the Declaration on the Rights of Indigenous Peoples affirms that indigenous peoples:

- (1) Are free and equal to all other individuals in dignity and rights;

- (2) Have the right to self-determination;
- (3) Have the right to practice and revitalize their cultural traditions and customs; and
- (4) Have the right to maintain and strengthen their distinctive spiritual and material relationship with the lands, waters, coastal seas, and other resources.

Your Committee has amended this resolution by:

- (1) Changing the title to read:
ADOPTING THE UNITED NATIONS DECLARATION ON THE RIGHTS OF INDIGENOUS PEOPLES;
- (2) Re-phrasing the BE IT RESOLVED clause to state that this body adopts and affirms the UN Declaration on the Rights of Indigenous Peoples; and
- (3) Making technical, nonsubstantive amendments for style and clarity.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 147, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.R. No. 147, H.D. 1.

Signed by all members of the Committee except Representatives Morita, Saiki and Finnegan.

SCRep. 1390 Hawaiian Affairs on H.C.R. No. 195

The purpose of this concurrent resolution is to preserve and maintain the Hawaiian culture by urging the Legislature to support the United Nations (UN) Declaration on the Rights of Indigenous Peoples.

Three concerned individuals testified in support of this concurrent resolution.

Among other things, the Declaration on the Rights of Indigenous Peoples affirms that indigenous peoples:

- (1) Are free and equal to all other individuals in dignity and rights;
- (2) Have the right to self-determination;
- (3) Have the right to practice and revitalize their cultural traditions and customs; and
- (4) Have the right to maintain and strengthen their distinctive spiritual and material relationship with the lands, waters, coastal seas, and other resources.

Your Committee has amended this concurrent resolution by:

- (1) Changing the title to read:
ADOPTING THE UNITED NATIONS DECLARATION ON THE RIGHTS OF INDIGENOUS PEOPLES;
- (2) Re-phrasing the BE IT RESOLVED clause to state that the Legislature adopts and affirms the UN Declaration on the Rights of Indigenous Peoples; and
- (3) Making technical, nonsubstantive amendments for style and clarity.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 195, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.C.R. No. 195, H.D. 1.

Signed by all members of the Committee except Representatives Morita, Saiki and Finnegan.

SCRep. 1391 Human Services on H.C.R. No. 58

The purpose of this concurrent resolution is to request a fiscal and management audit of the Department of Human Services (DHS) to ensure that Temporary Assistance to Needy Families (TANF) funds were not improperly used for programs unrelated to the purposes for which TANF funds are provided to the State.

DHS submitted comments on this measure.

Your Committee finds that TANF funds must be strictly used to help poor families, promote self-sufficiency through programs that promote job training, marriage, prevention of unwanted pregnancies, and encouraging the formation of two-parent families. Funding for such programs is hard to come by, therefore, what moneys the State is provided to help poor families should be directed toward funding those programs that directly assist these families.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 58 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1392 Human Services/Health on H.R. No. 54

The purpose of this resolution is to support respectful and dignified elderly care by requiring:

- (1) The Governor to take a leadership role in the development of a system of elder care programs; and
- (2) The Department of Human Services (DHS) to:
 - (a) Equally compensate a family member who cares for an elderly individual in need of elder care services;
 - (b) Increase Medicaid "spend down" limits; and
 - (c) Institute respite care for a family member who serves indefinitely as a caregiver.

DHS provided comments.

Your Committees have amended this resolution by:

- (1) Requesting the Governor to determine the number of household members who are affected by elder care issues;
- (2) Requesting DHS to establish eligibility guidelines; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 54, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 54, H.D. 1.

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

SCRep. 1393 Human Services/Health on H.C.R. No. 63

The purpose of this concurrent resolution is to support respectful and dignified elderly care by requiring:

- (1) The Governor to take a leadership role in the development of a system of elder care programs; and
- (2) The Department of Human Services (DHS) to:
 - (a) Equally compensate a family member who cares for an elderly individual in need of elder care services;
 - (b) Increase Medicaid "spend down" limits; and
 - (c) Institute respite care for a family member who serves indefinitely as a caregiver.

DHS provided comments.

Your Committees have amended this concurrent resolution by:

- (1) Requesting the Governor to determine the number of household members who are affected by elder care issues;
- (2) Requesting DHS to establish eligibility guidelines; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 63, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 63, H.D. 1.

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

SCRep. 1394 Water, Land, & Ocean Resources on H.C.R. No. 131

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources (DLNR) to amend its administrative rules to allow hook and line pole fishing for akule within the Pupukea Marine Life Conservation District (Conservation District).

DLNR and two concerned individuals testified in support of this measure. The Nature Conservancy and two concerned individuals opposed this measure.

Your Committee finds that, through proper management, reasonable accommodations for hook and line pole fishing for akule may be made without negatively affecting marine life conservation efforts or commercial fishing within the Conservation District. Testimony on this measure suggested that hook and line fishing for akule should be restricted to the summer months of June,

July, and August. Your Committee is confident that DLNR will not only consider this suggestion, but will also consider specific areas for hook and line fishing and will involve members of the community and especially the task force involved with the establishment of the Conservation District in its rule making process.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that:
 - (A) DLNR is addressing the potential conflicts within the Conservation District between commercial users and those who enjoy hook and line fishing for akule; and
 - (B) Marine Life Conservation Districts (MLCDs) ensure the replenishment of the State's ocean resources; and through prudent and flexible management, a resource can be both sustainable and enjoyed for subsistence and recreational purposes in a way that will have no negative impact on the resource and help promote the establishment of future MLCDs throughout the state;
- (2) Requesting DLNR to consider different options regarding where and how hook and line pole fishing for akule within the Conservation District may be allowed; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources 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 its adoption in the form attached hereto as H.C.R. No. 131, H.D. 1.

Signed by all members of the Committee except Representatives Carroll and Schatz.

SCRep. 1395 Consumer Protection & Commerce on H.C.R. No. 4

The purpose of this concurrent resolution is to request the Insurance Commissioner to investigate the advisability of entering into interstate compacts with other states concerning certain perils affecting the cost of homeowner's insurance.

The Hawaii Association of Realtors supported this concurrent resolution. The Department of Commerce and Consumer Affairs supported the intent of this measure.

Your Committee finds that Hawaii residents are having problems obtaining and securing affordable homeowner's insurance, and are constrained by budget limitations, policies against establishing social insurance, and an oligarchic insurance market. Your Committee finds that the lack of affordable insurance could be addressed by cooperative interstate efforts with other states experiencing the same difficulties.

Your Committee has amended this measure by:

- (1) Changing the term "homeowner's insurance" to "property and casualty insurance", thus widening the scope of insurance that can be studied by the Insurance Commissioner while still including homeowner's insurance;
- (2) Changing the title to:

"HOUSE CONCURRENT RESOLUTION REQUESTING THE INSURANCE COMMISSIONER TO INVESTIGATE THE ADVISABILITY OF ENTERING INTO INTERSTATE COMPACTS WITH OTHER STATES CONCERNING CERTAIN PERILS AFFECTING THE COST OF PROPERTY AND CASUALTY INSURANCE"; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 4, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 4, H.D. 1.

Signed by all members of the Committee except Representatives Ito, Kanoho, Morita, Saiki and Stonebraker.

SCRep. 1396 Public Safety & Military Affairs on H.C.R. No. 287

The purpose of this measure is to study the Kaneohe streams including Waialele, Hiilaniwai, Kahuaiki, Mamalahoa and Kawa streams, to determine whether there are ways to mitigate potential flooding of the Windward District and avoid any type of damage experienced in the past.

Specifically, in working with the state and county civil defense agencies, the Department of Land and Natural Resources, should determine and identify which streams in the Kaneohe area are privately owned, past flood zones, and potential mitigation strategies.

Your Committee received testimony in support of the measure from two private individuals who have suffered irreparable harm due to flooding of streams near their properties. The Board of Land and Natural Resources submitted testimony in opposition to the measure.

Your Committee finds that in the past, there have been flooding disasters in the Windward area and statewide. Your Committee recommends that the Chairperson of the Board of Land and Natural Resources and the City and County of Honolulu also work with the United States Army Corps of Engineers in fulfilling the purpose of this measure.

Accordingly, your Committee amended this measure by amending its title and requesting the Chairperson of the Board of Land and Natural Resources to work not only with the counties, but also the United States Army Corps of Engineers and to submit a report on any findings and recommendations for the study.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 287, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 287, H.D. 1.

Signed by all members of the Committee except Representatives Nakasone, Shimabukuro, Souki and Stonebraker.

SCRep. 1397 International Affairs on H.R. No. 113

The purpose of this Resolution is to request that the University of Hawaii consider establishing a Center for the advancement of global health, welfare, education and peace by and for children, youth and families.

Due to the similarity in purpose of this request to the Hawaii Global Youth project mentioned in H.R. No. 163, your Committee has amended this Resolution to reflect a new purpose supporting the planning and feasibility study of the establishment of a Hawaii Global Youth Center. It is suggested that the Center could serve as a locus for discussion of the concerns, issues and solutions for health, welfare, the environment, peace and human rights as concern children and youth. The Center could also conduct research of pertinent issues and alternatives concerning children and youth and propose viable models for societal application and promotion of international peace and conflict resolution.

On H.R. No. 163, whose contents have been inserted in this Resolution, the Hawaii Intergenerational Network and the Friends of the Global Youth Connection submitted testimony in support. East-West Center submitted testimony in support with further comments.

Your Committee has amended this Resolution by inserting the contents and title of H.R. No. 163 and amending the inserted contents by:

- (1) Shortening the title to "Supporting the establishment of a Hawaii Global Youth Center.";
- (2) Amending the first resolution clause to express the Legislature's support of the planning for the establishment of the Center versus supporting the establishment of the Center;
- (3) Amending the second resolution clause to commend the East-West Center for its assistance in the planning process;
- (4) Amending the third resolution clause to request the President, Congress and the United Nations to support the planning process;
- (5) Amending the fourth resolution clause to request that mentioned parties are included in the dialogue on the planning process;
- (6) Amending the fifth resolution clause to request that the planning process include the exploration of various funding sources;
- (7) Amending the sixth resolution clause to reflect that the International Advisory Committee of the World Youth Congress may hold its third meeting in Glasgow, Scotland, United Kingdom in August 2005 and further strikes the request to dedicate the Center to the current United Nations Secretary General;
- (8) Amending the seventh resolution clause to include the Chairperson of the Board of Governors of the East-West Center as a recipient of a certified copy of this Resolution.

Your Committee finds that this project has gained significant synergy from community-minded private individuals and wishes to extend its utmost support for such endeavors. The support of the East-West Center and the offer of its assistance and expertise and general interest in this concept is a notable positive sign of this gain in synergy.

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. 113, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 113, H.D. 1.

Signed by all members of the Committee except Cabanilla.

SCRep. 1398 International Affairs on H.C.R. No. 151

The purpose of this Concurrent Resolution is to request that the University of Hawaii consider establishing a Center for the advancement of global health, welfare, education and peace by and for children, youth and families.

Due to the similarity in purpose of this request to the Hawaii Global Youth project mentioned in H.C.R. No. 217, your Committee has amended this Concurrent Resolution to reflect a new purpose supporting the planning and feasibility study of the establishment of a Hawaii Global Youth Center. It is suggested that the Center could serve as a locus for discussion of the concerns, issues and solutions for health, welfare, the environment, peace and human rights as concern children and youth. The Center could also conduct research of pertinent issues and alternatives concerning children and youth and propose viable models for societal application and promotion of international peace and conflict resolution.

On H.C.R. No. 217, whose contents have been inserted in this Concurrent Resolution, the Hawaii Intergenerational Network and the Friends of the Global Youth Connection submitted testimony in support. East-West Center submitted testimony in support with further comments.

Your Committee has amended this Concurrent Resolution by inserting the contents and title of H.C.R. No. 217 and amending the inserted contents by:

- (1) Shortening the title to "Supporting the establishment of a Hawaii Global Youth Center.";
- (2) Amending the first resolution clause to express the Legislature's support of the planning for the establishment of the Center versus supporting the establishment of the Center;
- (3) Amending the second resolution clause to commend the East-West Center for its assistance in the planning process;
- (4) Amending the third resolution clause to request the President, Congress and the United Nations to support the planning process;
- (5) Amending the fourth resolution clause to request that mentioned parties are included in the dialogue on the planning process;
- (6) Amending the fifth resolution clause to request that the planning process include the exploration of various funding sources;
- (7) Amending the sixth resolution clause to reflect that the International Advisory Committee of the World Youth Congress may hold its third meeting in Glasgow, Scotland, United Kingdom in August 2005 and further strikes the request to dedicate the Center to the current United Nations Secretary General;
- (8) Amending the seventh resolution clause to include the Chairperson of the Board of Governors of the East-West Center as a recipient of a certified copy of this Concurrent Resolution.

Your Committee finds that this project has gained significant synergy from community-minded private individuals and wishes to extend its utmost support for such endeavors. The support of the East-West Center and the offer of its assistance and expertise and general interest in this concept is a notable positive sign of this gain in synergy.

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. 151, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 151, H.D. 1.

Signed by all members of the Committee except Cabanilla.

SCRep. 1399 Energy & Environmental Protection on H.C.R. No. 178

The purpose of this measure is to convene a special task force to evaluate new approaches to the management of electronic and automotive solid waste.

Testimony in support of this measure was submitted by the Department of Accounting and General Services, the Legislative Information Services of Hawaii, the Retail Merchants of Hawaii, the Windward Ahupua'a Alliance, and the Hawaii Automobile Dealers' Association. Hewlett-Packard Company presented comments in support of the intent of this measure and offered comments. The Department of Health presented comments in support of the measure's intent but expressed reservations about the proposed study's potential cost.

Your Committee finds that Hawaii is experiencing an unprecedented increase in the amount of automotive and electronic waste, much of which is improperly disposed, threatening the health of the State's citizens. Your Committee also finds that the development of a comprehensive solid waste management plan will help the State to meet its goal of reducing the solid waste stream, as mandated by the State's integrated solid waste management law.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 178 and recommends its adoption.

Signed by all members of the Committee except Representatives Berg, Carroll, Kanoho and Waters.

SCRep. 1400 Hawaiian Affairs on H.R. No. 49

The purpose of this resolution is to request that the Federal Government:

- (1) Recognize the political relationship between the United States and the indigenous Hawaiian people in a similar manner afforded to Native Americans and Alaska natives; and
- (2) Designate a permanent agency to address indigenous Hawaiian reconciliation proceedings and the political status of indigenous Hawaiians.

The Department of Hawaiian Home Lands, the Office of Hawaiian Affairs, and an individual testified in support of this resolution. A concerned individual opposed this measure.

Federal recognition of a Native Hawaiian governing entity has the unanimous support of Hawaii's congressional delegation as well as the support of both the Governor and Lieutenant Governor.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 49 and recommends its adoption.

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

SCRep. 1401 Hawaiian Affairs on H.C.R. No. 56

The purpose of this concurrent resolution is to request that the Federal Government:

- (1) Recognize the political relationship between the United States and the indigenous Hawaiian people in a similar manner afforded to Native Americans and Alaska natives; and
- (2) Designate a permanent agency to address indigenous Hawaiian reconciliation proceedings and the political status of indigenous Hawaiians.

The Department of Hawaiian Home Lands, the Office of Hawaiian Affairs, and an individual testified in support of this concurrent resolution. A concerned individual opposed this measure.

Federal recognition of a Native Hawaiian governing entity has the unanimous support of Hawaii's congressional delegation as well as the support of both the Governor and Lieutenant Governor.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 56 and recommends its adoption.

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

SCRep. 1402 Hawaiian Affairs on H.R. No. 55

The purpose of this resolution is to acknowledge Samuel Manaiakalani Kamakau's contributions in memorializing Hawaiian history by proclaiming October 29, 2005, as Samuel Manaiakalani Kamakau Day.

The North Shore Neighborhood Board No. 27 and a concerned individual testified in support of this measure.

Many consider Samuel Manaiakalani Kamakau as one of Hawaii's greatest historians of Hawaiian culture and heritage. Born 190 years ago in Mokuleia, Oahu, Samuel Manaiakalani Kamakau accurately recorded native Hawaiian history, thereby preserving for posterity the legacy of a storied people.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 55 and recommends its adoption.

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

SCRep. 1403 Hawaiian Affairs on H.C.R. No. 66

The purpose of this concurrent resolution is to acknowledge Samuel Manaiakalani Kamakau's contributions in memorializing Hawaiian history by proclaiming October 29, 2005, as Samuel Manaiakalani Kamakau Day.

The North Shore Neighborhood Board No. 27 and a concerned individual testified in support of this measure.

Many consider Samuel Manaiakalani Kamakau as one of Hawaii's greatest historians of Hawaiian culture and heritage. Born 190 years ago in Mokuleia, Oahu, Samuel Manaiakalani Kamakau accurately recorded native Hawaiian history, thereby preserving for posterity the legacy of a storied people.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 66 and recommends its adoption.

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

SCRep. 1404 Agriculture on S.B. No. 956

The purpose of this bill is to prevent the importation of agricultural pests into Hawaii by allowing the Department of Agriculture (DOA) to require the identification of specific articles on bills of lading or other shipping documents for inspection of pests.

The Hawaii Farm Bureau Federation, Big Island Farm Bureau, The Nature Conservancy of Hawaii, and two concerned individuals supported this measure. The Maui County Farm Bureau supported this bill with amendments. DOA and the Hawaii Agriculture Research Center supported the intent of this bill with amendments.

In light of concerns raised during the public hearing, your Committee has amended this measure by:

- (1) Allowing DOA to require the identification of specific articles on each bill of lading, negotiable and non-negotiable warehouse receipt, or other document of title for inspection of pests;

- (2) Reinstating the requirement that DOA designate articles that require a DOA letter of authorization or registration in advance of importation rather than a permit; and
- (3) Making other technical, nonsubstantive amendments for style, clarity, and consistency.

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. 956, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 956, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Chang, Karamatsu and Tsuji.

SCRep. 1405 Human Services on H.R. No. 205

The purpose of this resolution is to promote public accountability by requesting the Department of Human Services (DHS) to post budget information, including specific details on expenditures under the Temporary Assistance to Needy Families program, on DHS's website for public review.

DHS, National Association of Social Workers, Welfare and Employment Rights Coalition, and a concerned individual supported this measure.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 205 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1406 Consumer Protection & Commerce on H.R. No. 88

The purpose of this resolution is to reduce health care costs by requesting the collaborative development of standards for electronic health and medical records management.

Testimony in support of this measure was received from the Department of Health, University of Hawaii, Hawaii Primary Care Association, Hawaii Independent Physicians Association, and John A. Burns School of Medicine. The Department of Business, Economic Development, and Tourism supported the intent of this measure.

Your Committee finds that there is widespread agreement that the nation's accumulated medical files need to move into the digital era so that eventually, each person has an electronic health record that can travel across networks and be read by doctors, hospitals, insurers, and the patients themselves. Moving to electronic records would reduce medical costs by eliminating duplicative tests, reducing medical errors, and establishing a database for health research.

This resolution requests the convening of an industry-wide consortium to take the initial steps toward development of basic standards for electronic health and medical records management that must be adopted if an interchange of information is to occur.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 88 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Kanoho, Morita, Saiki and Stonebraker.

SCRep. 1407 Consumer Protection & Commerce on H.C.R. No. 114

The purpose of this concurrent resolution is to reduce health care costs by requesting the collaborative development of standards for electronic health and medical records management.

Testimony in support of this measure was received from the Department of Health, University of Hawaii, Hawaii Primary Care Association, Hawaii Independent Physicians Association, and John A. Burns School of Medicine. The Department of Business, Economic Development, and Tourism supported the intent of this measure.

Your Committee finds that there is widespread agreement that the nation's accumulated medical files need to move into the digital era so that eventually, each person has an electronic health record that can travel across networks and be read by doctors, hospitals, insurers, and the patients themselves. Moving to electronic records would reduce medical costs by eliminating duplicative tests, reducing medical errors, and establishing a database for health research.

This concurrent resolution requests the convening of an industry-wide consortium to take the initial steps toward development of basic standards for electronic health and medical records management that must be adopted if an interchange of information is to occur.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 114 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Kanoho, Morita, Saiki and Stonebraker.

SCRep. 1408 Consumer Protection & Commerce on H.C.R. No. 35

The purpose of this concurrent resolution is to request the Auditor to assess the social and financial effects of requiring health insurers to offer coverage for initial medical visits and psychological assessments, even when such medical visits and psychological assessments may include previously undiagnosed medical and psychological conditions.

The Hawaii Medical Service Association (HMSA) and Hawaii Psychological Association testified in support of this measure. HMSA testified that it already covers initial medical visits and psychological assessments.

Your Committee finds that:

- (1) Initial medical visits and psychological assessments often reveal conditions that have just emerged, have never been caught before, or for which the patients have never sought help;
- (2) Health insurers often refuse to provide coverage for initial medical visits and psychological assessments when such medical visits and psychological assessments include previously undiagnosed medical and psychological conditions; and
- (3) Pursuant to section 23-51, Hawaii Revised Statutes, mandates for additional health insurance coverage for specific health services, specific diseases, or certain providers of health care services as part of individual or group insurance policies require the passage of concurrent resolutions requesting the Auditor to prepare and submit to the Legislature a report that assesses both the social and financial effects of the proposed mandated coverage.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 35 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Kanoho, Morita, Saiki and Stonebraker.

SCRep. 1409 Education/Higher Education on H.R. No. 26

The purpose of this resolution is to promote safe and nurturing environments for optimal learning and health for Hawaii's students. Specifically, this measure supports the expansion of coordinated school health throughout the state with continued collaboration between the Department of Education (DOE), the Department of Health (DOH), and the University of Hawaii, along with the Centers for Disease Control and Prevention.

DOE and DOH testified in support of this resolution.

Your Committees have amended this resolution by:

- (1) Recognizing that DOH also provides funding to support coordinated school health; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, 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 concur with the intent and purpose of H.R. No. 26, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 26, H.D. 1.

Signed by all members of the Committee except Representatives Arakaki, Cabanilla, Chang and Kahikina.

SCRep. 1410 Education/Higher Education on H.C.R. No. 23

The purpose of this concurrent resolution is to promote safe and nurturing environments for optimal learning and health for Hawaii's students. Specifically, this measure supports the expansion of coordinated school health throughout the state with continued collaboration between the Department of Education (DOE), the Department of Health (DOH), and the University of Hawaii, along with the Centers for Disease Control and Prevention.

DOE and DOH testified in support of this concurrent resolution.

Your Committees have amended this concurrent resolution by:

- (1) Recognizing that DOH also provides funding to support coordinated school health; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, 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 concur with the intent and purpose of H.C.R. No. 23, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 23, H.D. 1.

Signed by all members of the Committee except Representatives Arakaki, Cabanilla, Chang and Kahikina.

SCRep. 1411 Education/Higher Education on H.C.R. No. 80

The purpose of this concurrent resolution is to protect student-athletes by requiring the registration, certification, and background check of athlete agents seeking to represent these student-athletes. Specifically, this measure requests the State Auditor to analyze the probable effects of the proposed regulation of athlete agents as contained in current legislation and assess whether the legislation would be consistent with State policy.

The Commission To Promote Uniform Legislation testified in support of this concurrent resolution. The Department of Commerce and Consumer Affairs supported this measure in part.

Your Committees have amended this concurrent resolution by:

- (1) Requesting the State Auditor to do a sunrise analysis prior to the enactment of the new regulatory measure, in accordance with section 26H-6, Hawaii Revised Statutes; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, 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 concur with the intent and purpose of H.C.R. No. 80, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 80, H.D. 1.

Signed by all members of the Committee except Representatives Arakaki, Cabanilla, Chang and Kahikina.

SCRep. 1412 Education on H.R. No. 68

The purpose of this resolution is to request that the Board of Education, Department of Education (DOE), and Hawaii State Public Library System develop a strategic plan to separate public and school libraries to enhance levels of service for students and the communities.

DOE supported the intent of this measure. The Hawaii State Public Library System offered comments.

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. 68 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Kahikina and Waters.

SCRep. 1413 Education on H.C.R. No. 92

The purpose of this concurrent resolution is to request that the Board of Education, Department of Education (DOE), and Hawaii State Public Library System develop a strategic plan to separate public and school libraries to enhance levels of service for students and the communities.

DOE supported the intent of this measure. The Hawaii State Public Library System offered comments.

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. 92 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Kahikina and Waters.

SCRep. 1414 Education on H.R. No. 65

The purpose of this resolution is to curtail substance abuse among students by urging the Department of Education (DOE) to adopt programs and plans that promote school connectedness and address behavioral changes in students.

The Drug Policy Forum of Hawaii, Drug Policy Action Group, and a concerned individual testified in support of this resolution. DOE and the Hawaii State Teachers Association supported the intent of this measure.

Your Committee has amended this resolution by:

- (1) Specifying that DOE is urged to support in-school behavioral counseling and education as the preventive disciplinary response to students who are first-time drug abuse offenders and students who voluntarily seek help to deal with drug abuse, as long as these students do not pose a danger to others; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 65, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 65, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Kahikina and Waters.

SCRep. 1415 Education on H.C.R. No. 85

The purpose of this concurrent resolution is to curtail substance abuse among students by urging the Department of Education (DOE) to adopt programs and plans that promote school connectedness and address behavioral changes in students.

The Drug Policy Forum of Hawaii, Drug Policy Action Group, and a concerned individual testified in support of this concurrent resolution. DOE and the Hawaii State Teachers Association supported the intent of this measure.

Your Committee has amended this concurrent resolution by:

- (1) Specifying that DOE is urged to support in-school behavioral counseling and education as the preventive disciplinary response to students who are first-time drug abuse offenders and students who voluntarily seek help to deal with drug abuse, as long as these students do not pose a danger to others; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education 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 Cabanilla, Chang, Kahikina and Waters.

SCRep. 1416 Higher Education on H.C.R. No. 213

The purpose of this concurrent resolution is to request a systemwide financial audit of the University of Hawaii System's (UH) general funds and accounts and non-general funds and accounts, including, the UH tuition and fees special funds. Among other things, the audit will include:

- (A) The total amount of general and tuition funds received and expended by UH to advance its mission and goals, and the purposes for which the funds were expended;
- (B) Issues relating to UH's financial records and system of accounting and internal controls;
- (C) Issues relating to UH's strategic and financial plan, its budgeting process, and its process for forecasting future financial needs;
- (D) The actual cost per undergraduate and graduate student for one academic year at each of the ten University of Hawaii campuses; and
- (E) Any and all other matters that the Auditor would normally undertake as necessary or appropriate in a systemwide financial audit.

Numerous concerned citizens, former University of Hawaii employees, faculty, and students testified in support of this measure. UH opposed this measure.

Your Committee finds that a systemwide audit of UH is necessary before granting UH's request for complete autonomy. The Legislature must be assured that UH has established policies, procedures, and systems that provide a full and open accounting of general and tuition funds and the financial stability of the UH system.

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

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

SCRep. 1417 Higher Education on H.R. No. 203

The purpose of this resolution is to urge that sufficient funding be provided for:

- (1) Three faculty positions in Ilocano, Filipino, and Philippine Studies at the University of Hawaii (UH);
- (2) A replacement to fill a vacant Filipino-language position at UH; and
- (3) Curriculum development and instructional support for other campuses of the UH system.

Your Committee received testimony from the UH College of Languages, Linguistics, and Literature supporting this resolution.

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. 203 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1418 Higher Education on H.C.R. No. 275

The purpose of this concurrent resolution is to urge that sufficient funding be provided for:

- (1) Three faculty positions in Ilocano, Filipino, and Philippine studies at the University of Hawaii (UH);
- (2) A replacement to fill a vacant Filipino-language position at UH; and
- (3) Curriculum development and instructional support for other campuses of the UH system.

Your Committee received testimony from the UH College of Languages, Linguistics, and Literature supporting this concurrent resolution.

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. 275 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1419 Higher Education on H.R. No. 108

The purpose of this resolution is to ensure the preservation, sustainable use, and equitable sharing of the benefits of Hawaii's biological resources in accordance with the State's trust obligation. Specifically, this measure requests the Legislative Reference Bureau (LRB) to conduct a study on the fair and equitable sharing of benefits arising from research, intellectual knowledge, or application of biological resources that are public natural resources held in trust by the State.

The Association of Hawaiian Civic Clubs, Hawaiian Civic Club of Wahiawa, Waikiki Hawaiian Civic Club, Koolaupoko Hawaiian Civic Club, Nanaikapono Hawaiian Civic Club, Princess Kaiulani Hawaiian Civic Club, Kualoa-Heeia Hawaiian Civic Club, Koolauloa Hawaiian Civic Club, Ewa-Puuloa Hawaiian Civic Club, The League of Women Voters of Hawaii, Women's Coalition, and numerous concerned individuals testified in support of this resolution. The Department of Business, Economic Development, and Tourism, and Hawaii Crop Improvement Association supported the intent of this measure. The University of Hawaii (UH) supported this resolution with amendments. The Hawaii Agriculture Research Center opposed this measure. The Department of Agriculture and LRB offered comments.

Your Committee has amended this resolution by:

- (1) Stating that government entities may enter into material transfer agreements with private parties, rather than specifically naming UH as an entity that has entered into these material transfer agreements without the knowledge and consent of the Legislature;
- (2) Clarifying that LRB is requested to conduct a study on the fair and equitable sharing of benefits arising from indigenous knowledge or intellectual property, rather than intellectual knowledge, of biological resources that are public natural resources held in trust by the State;
- (3) Clarifying that the LRB study include the identification and development of issues and policies for:
 - (a) The responsible regulation of bioprospecting and biotechnology as it relates to bioprospecting; and
 - (b) The fair and equitable sharing of benefits arising from the research, indigenous knowledge, intellectual property, or application of biological resources;
- (4) Clarifying that the LRB study include a compilation of an inventory of current bioprospecting, rather than biotechnology, research projects and activities in the State that are public, as provided by the Office of the Governor;
- (5) Requesting the Office of the Governor to assist LRB by providing a compilation of public, current bioprospecting research projects and activities in the State; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 108, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 108, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Hale and Waters.

SCRep. 1420 Higher Education on H.C.R. No. 146

The purpose of this concurrent resolution is to ensure the preservation, sustainable use, and equitable sharing of the benefits of Hawaii's biological resources in accordance with the State's trust obligation. Specifically, this measure requests the Legislative Reference Bureau (LRB) to conduct a study on the fair and equitable sharing of benefits arising from research, intellectual knowledge, or application of biological resources that are public natural resources held in trust by the State.

The Association of Hawaiian Civic Clubs, Hawaiian Civic Club of Wahiawa, Waikiki Hawaiian Civic Club, Koolaupoko Hawaiian Civic Club, Nanaikapono Hawaiian Civic Club, Princess Kaiulani Hawaiian Civic Club, Kualoa-Heeia Hawaiian Civic Club, Koolauloa Hawaiian Civic Club, Ewa-Puuloa Hawaiian Civic Club, The League of Women Voters of Hawaii, Women's Coalition, and numerous concerned individuals testified in support of this concurrent resolution. The Department of Business, Economic Development, and Tourism, and Hawaii Crop Improvement Association supported the intent of this measure. The University of Hawaii (UH) supported this concurrent resolution with amendments. The Hawaii Agriculture Research Center opposed this measure. The Department of Agriculture and LRB offered comments.

Your Committee has amended this concurrent resolution by:

- (1) Stating that government entities may enter into material transfer agreements with private parties, rather than specifically naming UH as an entity that has entered into these material transfer agreements without the knowledge and consent of the Legislature;

- (2) Clarifying that LRB is requested to conduct a study on the fair and equitable sharing of benefits arising from indigenous knowledge or intellectual property, rather than intellectual knowledge, of biological resources that are public natural resources held in trust by the State;
- (3) Clarifying that the LRB study include the identification and development of issues and policies for:
 - (a) The responsible regulation of bioprospecting and biotechnology as it relates to bioprospecting; and
 - (b) The fair and equitable sharing of benefits arising from the research, indigenous knowledge, intellectual property, or application of biological resources;
- (4) Clarifying that the LRB study include a compilation of an inventory of current bioprospecting, rather than biotechnology, research projects and activities in the State that are public, as provided by the Office of the Governor;
- (5) Requesting the Office of the Governor to assist LRB by providing a compilation of public, current bioprospecting research projects and activities in the State; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 146, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 146, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Hale and Waters.

SCRep. 1421 Higher Education/Health on H.C.R. No. 38

The purpose of this concurrent resolution is to help address the nursing shortage in Hawaii by urging the University of Hawaii (UH) to fully fund all of its nursing programs.

The UH School of Nursing and Dental Hygiene, HGEA, Healthcare Association of Hawaii, and Hawaii Pacific Health testified in support of this measure.

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. 38 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Hale, Sonson, Takumi and Waters.

SCRep. 1422 Higher Education/Health on H.C.R. No. 232

The purpose of this concurrent resolution is to improve access to appropriate mental health services for underserved areas and underserved populations in Hawaii by requesting the University of Hawaii (UH) School of Medicine, Department of Psychiatry, and the Department of Health (DOH) to reestablish their Psychiatric Residency Stipend Program (Stipend Program).

The Hawaii Psychological Association, Hawaii Psychiatric Medical Association, and several concerned individuals testified in support of this concurrent resolution. DOH opposed this measure. The UH School of Medicine offered comments.

Your Committees respectfully urge the UH Board of Regents and the UH administration to include funding for the Stipend Program in their supplemental budget request.

Your Committees have amended this concurrent resolution by:

- (1) Requesting the UH School of Medicine, Department of Psychiatry, and DOH to study the feasibility of adding J-1 Visa recipients to the Program; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style, including amending its title to read: "REQUESTING THE UNIVERSITY OF HAWAII SCHOOL OF MEDICINE, DEPARTMENT OF PSYCHIATRY, AND THE DEPARTMENT OF HEALTH, ADULT MENTAL HEALTH DIVISION, TO REESTABLISH THE PSYCHIATRIC RESIDENCY STIPEND PROGRAM TO MEET THE MENTAL HEALTH CARE NEEDS OF UNDERSERVED AREAS AND POPULATIONS."

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. 232, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 232, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Hale, Sonson, Takumi and Waters.

SCRep. 1423 Water, Land, & Ocean Resources on H.C.R. No. 200

The purpose of this concurrent resolution is to address concerns regarding the performance and management of the Department of Land and Natural Resources (DLNR) and the Board of Directors of DLNR (BLNR) by requesting the Auditor to conduct an audit of DLNR and BLNR that addresses, at a minimum, certain concerns and issues with the two entities.

Windward Ahupua'a Alliance, Life of the Land, Oahu Council of Hawaiian Civic Clubs, Annette's Adventures, Halemua a Kualii, Hanalei Watershed Hui, and numerous concerned individuals supported this concurrent resolution. A concerned individual opposed this measure. DLNR, Office of Hawaiian Affairs, The Nature Conservancy of Hawaii, and several concerned individuals offered comments.

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

- (1) Removing BLNR from the purview of the audit;
- (2) Including an analysis of optimal funding levels and potential funding sources for DLNR in the audit;
- (3) Specifying that the Auditor include positive findings in its report including, but not limited to, efforts which are being systematically exerted within DLNR to address areas requiring improvement, as well as the degree of positive compliance with significant policies and practices;
- (4) Adding to those requested to cooperate with the Auditor conservation experts and stakeholders, and organizations and individuals, in addition to agencies, that may be able to provide long-term perspectives on the sustainability of the State's limited resources;
- (5) Requiring that the audit address the mission and operations of DLNR with respect to plans and programs to sustain its trust responsibilities;
- (6) Clarifying that the audit address programs and agreements that DLNR initiates or maintains with other federal, state, and county agencies also charged with sustaining the State's natural resources;
- (7) Clarifying the Legislature's concerns which generated this request for a management audit in addition to a financial audit; and
- (8) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 200, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 200, H.D. 1.

Signed by all members of the Committee except Representative Meyer.

SCRep. 1424 Hawaiian Affairs on H.C.R. No. 25

The purpose of this concurrent resolution is to help perpetuate the Hawaiian culture by recognizing that rural Hawaiian communities or "cultural kipuka" are worthy of all consideration as cultural heritage treasures to the State of Hawaii.

The Office of Hawaiian Affairs (OHA) and a concerned individual testified in support of this measure.

There is concern that if these last remaining Hawaiian enclaves are lost, the Hawaiian people will eventually lose their unique language, culture, religion, land base, and livelihood. Moreover, the loss of these enclaves would also threaten Hawaii's "local" culture and way of life.

Your Committee shared concerns regarding the manner in which other rural communities may be recognized as rural enclaves or "cultural kipuka". Accordingly, your Committee has amended this concurrent resolution by:

- (1) Specifying that additional enclaves may be identified through a process established by OHA;
- (2) Adding the Waialua district on Oahu to the list of rural enclaves in recognition of its rich cultural sites, as well as the significant individuals in Hawaiian history who resided in that region; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 25, as amended herein, and recommends that it be referred to the Committee on Water, Land, & Ocean Resources in the form attached hereto as H.C.R. No. 25, H.D. 1.

Signed by all members of the Committee except Representatives Morita, Saiki and Finnegan.

SCRep. 1425 Higher Education on H.R. No. 144

The purpose of this resolution is to urge a continued partnership between the Department of Land and Natural Resources (DLNR) and the University of Hawaii (UH) to preserve the State's historical maps through digital mapping.

A concerned individual testified in support of this resolution. DLNR and the UH at Manoa Library supported the intent of this measure.

Your Committee finds that the intent of this resolution is to encourage DLNR to increase the number of maps on loan to UH at any given time, for the purpose of digitization.

The UH Kamakakuokalani Center for Hawaiian Studies has agreed to coordinate the logistics and implementation of this collaborative effort with the UH Department of Geography, UH Hamilton Library, UH William S. Richardson School of Law, and

DLNR. The Kamakakuokalani Center for Hawaiian Studies is already digitizing the collection of maps held by DLNR, and since the costs and personnel for this project are already being taken care of, the financial implications of this measure are zero.

Your Committee believes that the ability of UH to borrow more than one map at a time from DLNR and, through its digital mapping efforts, would benefit both UH students and the state as a whole by:

- (1) Assisting UH students in learning the skills associated with digital mapping;
- (2) Supporting the dissemination and preservation of cultural knowledge by educating UH students about historic cultural lands and place names;
- (3) Helping to maintain an accurate database of maps and inventory of land for the state; and
- (4) Expediting the process of recording maps to avoid irretrievable loss due to unforeseen natural events.

Your Committee respectfully requests that your Committee on Finance consider amending this measure to include as recipients of certified copies of this measure: the Director of the UH Kamakakuokalani Center for Hawaiian Studies, the Chair of the UH Department of Geography, the Head Librarian of the UH Hamilton Library, and the Dean of the UH William S. Richardson School of Law.

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. 144 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Hale and Waters.

SCRep. 1426 Higher Education on H.C.R. No. 192

The purpose of this concurrent resolution is to urge a continued partnership between the Department of Land and Natural Resources (DLNR) and the University of Hawaii (UH) to preserve the State's historical maps through digital mapping.

A concerned individual testified in support of this concurrent resolution. DLNR and the UH at Manoa Library supported the intent of this measure.

Your Committee finds that the intent of this concurrent resolution is to encourage DLNR to increase the number of maps on loan to UH at any given time, for the purpose of digitization.

The UH Kamakakuokalani Center for Hawaiian Studies has agreed to coordinate the logistics and implementation of this collaborative effort with the UH Department of Geography, UH Hamilton Library, UH William S. Richardson School of Law, and DLNR. The Kamakakuokalani Center for Hawaiian Studies is already digitizing the collection of maps held by DLNR, and since the costs and personnel for this project are already being taken care of, the financial implications of this measure are zero.

Your Committee believes that the ability of UH to borrow more than one map at a time from DLNR and, through its digital mapping efforts, would benefit both UH students and the state as a whole by:

- (1) Assisting UH students in learning the skills associated with digital mapping;
- (2) Supporting the dissemination and preservation of cultural knowledge by educating UH students about historic cultural lands and place names;
- (3) Helping to maintain an accurate database of maps and inventory of land for the state; and
- (4) Expediting the process of recording maps to avoid irretrievable loss due to unforeseen natural events.

Your Committee respectfully requests that your Committee on Finance consider amending this measure to include as recipients of certified copies of this measure: the Director of the UH Kamakakuokalani Center for Hawaiian Studies, the Chair of the UH Department of Geography, the Head Librarian of the UH Hamilton Library, and the Dean of the UH William S. Richardson School of Law.

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. 192 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Hale and Waters.

SCRep. 1427 Higher Education/Health on H.R. No. 75

The purpose of this resolution is to improve people's health through biomedical solutions, while addressing ethical and policy concerns, by urging the University of Hawaii (UH) to conduct a study on the feasibility of encouraging stem cell research in the State.

The UH John A. Burns School of Medicine testified in support of this resolution. The Hawaii Family Forum and Hawaii Catholic Conference supported the intent of this measure.

Your Committees have amended this resolution by:

- (1) Changing the title to read: "REQUESTING THE UNIVERSITY OF HAWAII TO ESTABLISH AND HEAD A TASK GROUP TO CONDUCT A FEASIBILITY STUDY, HOST PUBLIC FORUMS, AND PROPOSE RECOMMENDATIONS ON STEM CELL RESEARCH";
- (2) Requesting UH to establish and head a task group to:
 - (a) Conduct the feasibility study;
 - (b) Identify and examine various issues related to stem cell research, including providing an estimate of the cost of stem cell research; and
 - (c) Host a series of public forums relating to stem cell research;
- (3) Requesting that the task group include a member who represents the perspective of the Hawaii Family Forum, the Hawaii Catholic Conference, or a similar organization;
- (4) Transmitting a certified copy of the concurrent resolution to the Dean of the UH John A. Burns School of Medicine; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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. 75, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 75, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Hale, Sonson, Takumi and Waters.

SCRep. 1428 Higher Education/Health on H.C.R. No. 100

The purpose of this concurrent resolution is to improve people's health through biomedical solutions, while addressing ethical and policy concerns, by urging the University of Hawaii (UH) to conduct a study on the feasibility of encouraging stem cell research in the State.

The UH John A. Burns School of Medicine testified in support of this concurrent resolution. The Hawaii Family Forum and Hawaii Catholic Conference supported the intent of this measure.

Your Committees have amended this concurrent resolution by:

- (1) Changing the title to read: "REQUESTING THE UNIVERSITY OF HAWAII TO ESTABLISH AND HEAD A TASK GROUP TO CONDUCT A FEASIBILITY STUDY, HOST PUBLIC FORUMS, AND PROPOSE RECOMMENDATIONS ON STEM CELL RESEARCH";
- (2) Requesting UH to establish and head a task group to:
 - (a) Conduct the feasibility study;
 - (b) Identify and examine various issues related to stem cell research, including providing an estimate of the cost of stem cell research; and
 - (c) Host a series of public forums relating to stem cell research;
- (3) Requesting that the task group include a member who represents the perspective of the Hawaii Family Forum, the Hawaii Catholic Conference, or a similar organization;
- (4) Transmitting a certified copy of the concurrent resolution to the Dean of the UH John A. Burns School of Medicine; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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. 100, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 100, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Hale, Sonson, Takumi and Waters.

SCRep. 1429 Education/Higher Education/International Affairs on H.R. No. 172

The purpose of this resolution is to improve international relations by requesting the Department of Education (DOE), University of Hawaii (UH), and Hawaii Association of Independent Schools (HAIS) to support a student, faculty, and administrative staff exchange program to involve students in the public and private schools and colleges and universities in Hawaii, and students in schools in the provinces in the Republic of the Philippines, with which the state has state-province relationships.

HAIS, the Ilocos Surian Association of Hawaii, Congress of Visayan Organizations, National Federation of Filipino Organizations, and Annac ti Caoayan 2002 testified in support of this resolution. DOE and UH supported the intent of this measure.

Your Committees have amended this resolution by:

- (1) Expanding the scope of the measure to include all provinces and prefectures with which the State has state-province-prefecture relationships;
- (2) Changing the purpose of the measure to request DOE, UH, and HAIS to assist and support community efforts to establish these exchange programs;
- (3) Removing the Hawaii-based Filipino Organization as one of the key participants requested to determine the success or failure of such exchange programs; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style, including changing the title to read: "REQUESTING THE DEPARTMENT OF EDUCATION, UNIVERSITY OF HAWAII, AND HAWAII ASSOCIATION OF INDEPENDENT SCHOOLS TO SUPPORT COMMUNITY EFFORTS TO ESTABLISH STUDENT, FACULTY, AND ADMINISTRATIVE STAFF EXCHANGE PROGRAMS FOR PUBLIC AND PRIVATE HIGH SCHOOLS AND COLLEGES AND UNIVERSITIES IN HAWAII WITH SCHOOLS IN THE PROVINCES AND PREFECTURES WITH WHICH THE STATE HAS STATE-PROVINCE-PREFECTURE RELATIONSHIPS."

As affirmed by the records of votes of the members of your Committees on Education, Higher Education, and International Affairs that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 172, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 172, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Kahikina, Sonson and Takumi.

SCRep. 1430 Education/Higher Education/International Affairs on H.C.R. No. 236

The purpose of this concurrent resolution is to improve international relations by requesting the Department of Education (DOE), University of Hawaii (UH), and Hawaii Association of Independent Schools (HAIS) to support a student, faculty, and administrative staff exchange program to involve students in the public and private schools and colleges and universities in Hawaii, and students in schools in the provinces in the Republic of the Philippines, with which the state has state-province relationships.

HAIS, the Ilocos Surian Association of Hawaii, Congress of Visayan Organizations, National Federation of Filipino Organizations, and Annac ti Caoayan 2002 testified in support of this concurrent resolution. DOE and UH supported the intent of this measure.

Your Committees have amended this concurrent resolution by:

- (1) Expanding the scope of the measure to include all provinces and prefectures with which the State has state-province-prefecture relationships;
- (2) Changing the purpose of the measure to request DOE, UH, and HAIS to assist and support community efforts to establish these exchange programs;
- (3) Removing the Hawaii-based Filipino Organization as one of the key participants requested to determine the success or failure of such exchange programs; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style, including changing the title to read: "REQUESTING THE DEPARTMENT OF EDUCATION, UNIVERSITY OF HAWAII, AND HAWAII ASSOCIATION OF INDEPENDENT SCHOOLS TO SUPPORT COMMUNITY EFFORTS TO ESTABLISH STUDENT, FACULTY, AND ADMINISTRATIVE STAFF EXCHANGE PROGRAMS FOR PUBLIC AND PRIVATE HIGH SCHOOLS AND COLLEGES AND UNIVERSITIES IN HAWAII WITH SCHOOLS IN THE PROVINCES AND PREFECTURES WITH WHICH THE STATE HAS STATE-PROVINCE-PREFECTURE RELATIONSHIPS."

As affirmed by the records of votes of the members of your Committees on Education, Higher Education and International Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 236, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 236, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Kahikina, Sonson and Takumi.

SCRep. 1431 Agriculture on H.R. No. 85

The purpose of this resolution is to urge the Department of Business, Economic Development, and Tourism to establish a permanent state cultural public market under the authority of the Hawaii Community Development Authority to:

- (1) Promote cultural awareness, as well as economic development within the state; and
- (2) Provide a venue for the exposure, education, and awareness of the host Hawaiian culture and many other ethnic groups within Hawaii through the sale of ethnic foods and products.

The Hawaii Farm Bureau testified in support of this measure. The Hawaii Community Development Authority and the Department of Business, Economic Development, and Tourism supported the intent of this measure and suggested amendments.

Your Committee on Agriculture finds that there is a great need for a state cultural public market within the Kaka'ako Waterfront area.

Your Committee has amended this resolution by:

- (1) Deleting the provisions that request the Hawaii Community Development Authority to develop, distribute, accept, or draft requests for proposals for the state cultural public market; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 85, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 85, H.D. 1.

Signed by all members of the Committee except Representatives Chang, Wakai and Stonebraker.

SCRep. 1432 Agriculture on H.C.R. No. 111

The purpose of this concurrent resolution is to urge the Department of Business, Economic Development, and Tourism to establish a permanent state cultural public market under the authority of the Hawaii Community Development Authority to:

- (1) Promote cultural awareness, as well as economic development within the state; and
- (2) Provide a venue for the exposure, education, and awareness of the host Hawaiian culture and many other ethnic groups within Hawaii through the sale of ethnic foods and products.

The Hawaii Farm Bureau testified in support of this measure. The Hawaii Community Development Authority and the Department of Business, Economic Development, and Tourism supported the intent of this measure and suggested amendments.

Your Committee finds that there is a great need for a state cultural public market within the Kaka'ako Waterfront area.

Your Committee has amended this concurrent resolution by:

- (1) Deleting the provisions that request the Hawaii Community Development Authority to develop, distribute, accept, or draft requests for proposals for the state cultural public market; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 111, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 111, H.D. 1.

Signed by all members of the Committee except Representatives Chang, Wakai and Stonebraker.

SCRep. 1433 Agriculture/Water, Land, & Ocean Resources on H.R. No. 193

The purpose of this resolution is to stabilize state agricultural lease rents by requesting the Department of Land and Natural Resources (DLNR) to:

- (1) Establish a training program, in conjunction with the local real estate appraiser's national organization, to train real estate appraisers to use the income capitalization approach to set lease rent rates for state agricultural lease reopening;
- (2) Establish a pilot program implementing the income capitalization approach using the agricultural yield of the leased land to set lease rent rates for state agricultural lease reopening; and
- (3) Report its findings and recommendations to the Legislature, including the lease rent amounts resulting from using this methodology, no later than 20 days prior to the convening of the Regular Session of 2006.

DLNR, Hawaii Farm Bureau Federation, and the Hawaii Association of REALTORS supported this measure.

Your Committees are cognizant of concerns regarding a potential conflict between the use of an income capitalization approach to appraising rental reopening and the provisions of section 171-17(d), Hawaii Revised Statutes. However, your Committees note that DLNR has indicated in the public hearing that the provisions in this measure will not violate current statutory requirements. In addition, it is the intent of your Committees that the income capitalization approach specified in this measure consider the income that can reasonably be derived from the quality of the soil and other production factors of the leased agricultural lands. Income derived from token farming operations or severe underuse of fertile agricultural land should not be used as the basis of the income capitalization approach.

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

- (1) Changing the date of DLNR's report from no later than 20 days prior to the Regular Session of 2006 to no later than 20 days prior to the Regular Session of 2007; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Agriculture and Water, Land, & Ocean Resources that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 193, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 193, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Karamatsu, Magaoay, Morita, Wakai, Waters, Meyer and Stonebraker.

SCRep. 1434 Agriculture/Water, Land, & Ocean Resources on H.C.R. No. 262

The purpose of this concurrent resolution is to stabilize state agricultural lease rents by requesting the Department of Land and Natural Resources (DLNR) to:

- (1) Establish a training program, in conjunction with the local real estate appraiser's national organization, to train real estate appraisers to use the income capitalization approach to set lease rent rates for state agricultural lease reopening;
- (2) Establish a pilot program implementing the income capitalization approach using the agricultural yield of the leased land to set lease rent rates for state agricultural lease reopening; and
- (3) Report its findings and recommendations to the Legislature, including the lease rent amounts resulting from using this methodology, no later than 20 days prior to the convening of the Regular Session of 2006.

DLNR, Hawaii Farm Bureau Federation, and the Hawaii Association of REALTORS supported this measure.

Your Committees are cognizant of concerns regarding a potential conflict between the use of an income capitalization approach to appraising rental reopening and the provisions of section 171-17(d), Hawaii Revised Statutes. However, your Committees note that DLNR has indicated in the public hearing that the provisions in this measure will not violate current statutory requirements. In addition, it is the intent of your Committees that the income capitalization approach specified in this measure consider the income that can reasonably be derived from the quality of the soil and other production factors of the leased agricultural lands. Income derived from token farming operations or severe underuse of fertile agricultural land should not be used as the basis of the income capitalization approach.

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

- (1) Changing the date of DLNR's report from no later than 20 days prior to the Regular Session of 2006 to no later than 20 days prior to the Regular Session of 2007; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Agriculture and Water, Land, & Ocean Resources that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 262, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 262, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Karamatsu, Magaoy, Morita, Wakai, Waters, Meyer and Stonebraker.

SCRep. 1435 Agriculture/Water, Land, & Ocean Resources on H.C.R. No. 132

The purpose of this concurrent resolution is to establish a task force to consider more precise guidelines for permitted uses of special permits. Specially, this measure, among other things:

- (1) Specifies individuals and representatives that are requested to serve on the task force; and
- (2) Requests the task force to consider certain issues in its review of the guidelines.

Hawaii's Thousand Friends supported this concurrent resolution. The Land Use Commission supported the intent of this measure. The Land Use Research Foundation of Hawaii and The Life of the Land offered comments.

Your Committees find that the lack of clear guidelines or specifically stated permitted or unpermitted uses may have a negative impact on agricultural and rural districts.

Your Committees have amended this concurrent by:

- (1) Clarifying that the approval of the Land Use Commission is only required in cases where the land area is greater than 15 acres;
- (2) Deleting the Chair of the Land Use Commission or the Chair's designee from being requested to serve on the task force;
- (3) Requesting a representative of the State Office of Planning to serve on the task force;
- (4) Requesting two persons representing landowners to serve on the task force;
- (5) Clarifying that two persons representing the agricultural community and two persons representing the environmental community are requested to serve on the task force;
- (6) Requesting a person representing the College of Tropical Agriculture and Human Resources, University of Hawaii at Manoa, to serve on the task force; and
- (7) Making technical, nonsubstantive amendments for clarity, style, and consistency.

As affirmed by the records of votes of the members of your Committees on Agriculture and Water, Land, & Ocean Resources 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 Chang, Karamatsu, Morita, Wakai and Stonebraker.

SCRep. 1436 Health on H.R. No. 171

The purpose of this resolution is to request the Governor to establish the Hawaii Cervical Cancer Elimination Task Force.

The American Cancer Society, Hawaii Section of the American College of Obstetricians & Gynecologists, and Science and Technology International supported this resolution. The Department of Health did not support this measure at this time, because they felt it duplicated existing initiatives.

Your Committee has amended this resolution by deleting its contents and replacing it with new language that refocuses the purpose of this measure towards pushing Hawaii into the forefront of cancer research by encouraging new technologies to diagnose, treat, and cure cancer.

This resolution has been further amended by changing its title to:

"REQUESTING THE GOVERNOR TO ESTABLISH THE HAWAII CANCER ELIMINATION TASK FORCE TO DEVELOP A STRATEGIC PLAN FOR ESTABLISHING HAWAII AS A CENTER FOR CANCER DETECTION AND TREATMENT, BASED ON EMERGING VIRTUAL BIOPSY TECHNOLOGIES AND CANCER TREATMENT MODALITIES."

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. 171, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 171, H.D. 1.

Signed by all members of the Committee except Representative Finnegan.

SCRep. 1437 Health on H.C.R. No. 228

The purpose of this concurrent resolution is to request the Governor to establish the Hawaii Cervical Cancer Elimination Task Force.

The American Cancer Society, Hawaii Section of the American College of Obstetricians & Gynecologists, and Science and Technology International supported this concurrent resolution. The Department of Health did not support this measure at this time, because they felt it duplicated existing initiatives.

Your Committee has amended this concurrent resolution by deleting its contents and replacing it with new language that refocuses the purpose of this measure towards pushing Hawaii into the forefront of cancer research by encouraging new technologies to diagnose, treat, and cure cancer.

This concurrent resolution has been further amended by changing its title to:

"REQUESTING THE GOVERNOR TO ESTABLISH THE HAWAII CANCER ELIMINATION TASK FORCE TO DEVELOP A STRATEGIC PLAN FOR ESTABLISHING HAWAII AS A CENTER FOR CANCER DETECTION AND TREATMENT, BASED ON EMERGING VIRTUAL BIOPSY TECHNOLOGIES AND CANCER TREATMENT MODALITIES."

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. 228, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 228, H.D. 1.

Signed by all members of the Committee except Representative Finnegan.

SCRep. 1438 Health on H.C.R. No. 255

The purpose of this concurrent resolution is to establish an interim task force to examine the issue of accessibility to mental health care in all areas of Hawaii, and the feasibility of authorizing trained and supervised medical psychologists to prescribe psychotropic medications for the treatment of mental illness.

The Hawaii Psychological Association, Hawaii Primary Care Association, Waianae Coast Comprehensive Health Center, Na Pu'uwai Native Hawaiian Health Clinic, and nine concerned individuals testified in support of this concurrent resolution. The Department of Health, American Psychiatric Association, Hawaii Psychiatric Medical Association, NAMI Oahu, and two concerned individuals testified in opposition.

Your Committee finds that the issue of prescriptive authority for psychologists has been discussed in Hawaii for many years, and that psychiatrists and psychologists have been unable to reach an agreement that would facilitate the delivery of mental health services in rural and oftentimes medically under-served areas of Hawaii by qualified mental health care professionals.

While in agreement with the intent of the concurrent resolution, your Committee believes that concerns over accessibility and delivery of mental health care in under-served areas has been overshadowed by the disagreement between psychiatrists and psychologists around the issue of prescriptive authority.

Your Committee has made the following amendments to this concurrent resolution:

- (1) Revised the language so that there is a tenor of neutrality;

- (2) Amended the composition of the task force to include the following individuals:
- (a) the Executive Director of the Hawaii Psychiatric Medical Association;
 - (b) a designee of the Executive Director of the Hawaii Psychiatric Medical Association;
 - (c) the Executive Director of the Hawaii Psychological Association;
 - (d) a designee of the Executive Director of the Hawaii Psychological Association;
 - (e) the Chairperson of the House Committee on Health, or a designee; and
 - (f) the Chairperson of the Senate Committee on Health, or a designee;

and,

- (3) Amending the title to "ESTABLISHING AN INTERIM TASK FORCE ON THE ACCESSIBILITY OF MENTAL HEALTH CARE TO CONSIDER THE FEASIBILITY OF THE STATE AUTHORIZING TRAINED AND SUPERVISED PSYCHOLOGISTS TO SAFELY PRESCRIBE PSYCHOTROPIC MEDICATIONS FOR THE TREATMENT OF MENTAL ILLNESS."

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. 255, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 255, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla and Nishimoto.

SCRep. 1439 Health on H.R. No. 82

The purpose of this resolution is to urge the Department of Health (DOH) to reopen the Molokini mental health unit of Maui Memorial Medical Center.

The Hawaii Psychiatric Medical Association, Hawaii Psychological Association, Hawaii Disability Rights Center, Mental Health Association in Hawaii, Community Children's Council of Mau, Maui Memorial Medical Center, NAMI Oahu, and six concerned individuals provided testimony in support of this resolution. The Hawaii Health Systems Corporation supported the measure's intent, and provided comments. The Department of Health testified in opposition.

Your Committee finds that there is a serious lack of acute psychiatric services for youth and adolescents living on Maui, and that a re-establishment of the Molokini mental health unit at Maui Memorial Medical Center would help to address this need.

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

Signed by all members of the Committee except Representative Cabanilla.

SCRep. 1440 Health on H.C.R. No. 109

The purpose of this concurrent resolution is to urge the Department of Health (DOH) to reopen the Molokini mental health unit of Maui Memorial Medical Center.

The Hawaii Psychiatric Medical Association, Hawaii Psychological Association, Hawaii Disability Rights Center, Mental Health Association in Hawaii, Community Children's Council of Mau, Maui Memorial Medical Center, NAMI Oahu, and six concerned individuals provided testimony in support of this concurrent resolution. The Hawaii Health Systems Corporation supported the measure's intent, and provided comments. The Department of Health testified in opposition.

Your Committee finds that there is a serious lack of acute psychiatric services for youth and adolescents living on Maui, and that a re-establishment of the Molokini mental health unit at Maui Memorial Medical Center would help to address this need.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee 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 Representative Cabanilla.

SCRep. 1441 Health on H.R. No. 166

The purpose of this resolution is to request that the Department of Health review and strengthen its water quality standards and practices.

The Department of Health provided testimony in opposition to this resolution.

Your Committee finds that stringent standards are necessary to assure that residents in areas such as upcountry Maui have access to a safe supply of drinking water.

As such, this resolution has been amended to focus the efforts of the Department of Health on the quality of drinking water in upcountry Maui.

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. 166, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 166, H.D. 1.

Signed by all members of the Committee.

SCRep. 1442 Health on H.C.R. No. 222

The purpose of this concurrent resolution is to request that the Department of Health review and strengthen its water quality standards and practices.

The Department of Health provided testimony in opposition to this concurrent resolution.

Your Committee finds that stringent standards are necessary to assure that residents in areas such as upcountry Maui have access to a safe supply of drinking water.

As such, this concurrent resolution has been amended to focus the efforts of the Department of Health on the quality of drinking water in upcountry Maui.

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. 222, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 222, H.D. 1.

Signed by all members of the Committee.

SCRep. 1443 Health on H.C.R. No. 229

The purpose of this Concurrent Resolution is to request the Legislative Reference Bureau to study the impact of the physician "on-call" crisis on the ability of The Queen's Medical Center Trauma Center to provide emergency medical services in Hawaii and to recommend appropriate public and private responses to the crisis.

Testimony in support of this measure was submitted by The Queen's Medical Center, The Queen's Health Systems, Kaiser Permanente, Hawaii Pacific Health, the University of Hawaii School of Medicine, the HGEA/AFSCME Local 152, AFL-CIO, the Healthcare Association of Hawaii, and one individual. The Department of Health submitted testimony supporting the measure's intention, with reservations. The Legislative Reference Bureau submitted comments. The Independent Physicians Association submitted testimony in opposition.

Your Committee finds that the on-call crisis is a compelling one and needs to be addressed. However, your Committee finds that the Legislative Reference Bureau is inappropriately tasked to carry out this study. The Department of Health is statutorily given authorization and responsibility to establish, administer, and maintain the State Comprehensive Emergency Medical Services System. Furthermore, the Department of Health has the statutory authority to regulate health care facilities, including hospitals and their components such as emergency departments and trauma centers. The State Health Planning Agency, under the Department of Health, is also involved in overall statewide health care facility planning. Your Committee finds that the Department of Health possesses the requisite experience and technical expertise and is the appropriate state agency to conduct this study.

Accordingly, your Committee has amended this Concurrent Resolution to:

- (1) Replace the Legislative Reference Bureau with the Department of Health, as the state agency to conduct the study requested;
- (2) Amend the title of the Concurrent Resolution accordingly;
- (3) Delete The Queen's Medical Center and the Healthcare Association of Hawaii as coordinating parties to the study on the basis of their private sector standing in a study that is to be conducted by a state agency;
- (4) Delete the provision to contract with a private entity to conduct this study with state funds to be matched by The Queen's Medical Center, as appropriations cannot be made by resolution;
- (5) Amend the "Resolved" provision relating to transmission of the Concurrent Resolution accordingly; and
- (6) Make technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 229, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 229, H.D. 1.

Signed by all members of the Committee except Representative Finnegan.

SCRep. 1444 Health on H.R. No. 74

The purpose of this Resolution is to request the Governor and the Director of Transportation to designate Hawaii's airports as completely smoke-free areas.

The Coalition for a Tobacco Free Hawaii, American Cancer Society, American Heart Association, and a concerned individual testified in support of this measure. The American Heart Association provided comments.

Your Committee finds that exposure to secondhand smoke is just as damaging as smoking. Airports in other states, as well as in other countries, have been designated as smoke-free zones. Without a policy to ensure airports are kept smoke-free, it would not only be unhealthy but unfair to non-smokers, who have no recourse from exposure to secondhand smoke in an environment such as an airport facility.

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. 74 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cabanilla.

SCRep. 1445 Health on H.C.R. No. 99

The purpose of this Concurrent Resolution is to request the Governor and the Director of Transportation to designate Hawaii's airports as completely smoke-free areas.

The Coalition for a Tobacco Free Hawaii, American Cancer Society, American Heart Association, and a concerned individual testified in support of this measure. The American Heart Association provided comments.

Your Committee finds that exposure to secondhand smoke is just as damaging as smoking. Airports in other states, as well as in other countries, have been designated as smoke-free zones. Without a policy to ensure airports are kept smoke-free, it would not only be unhealthy but unfair to non-smokers, who have no recourse from exposure to secondhand smoke in an environment such as an airport facility.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 99 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cabanilla.

SCRep. 1446 Health on H.C.R. No. 53

The purpose of this concurrent resolution is to request the Auditor to assess the social and financial ramifications of requiring health insurers to offer coverage for cognitive rehabilitation.

Your Committee made available a proposed House Draft 1 on Friday, April 1, 2004, to be reviewed by all concerned parties as well as the general public, and received and heard testimony based on the proposed draft.

Chaminade University of Honolulu, Maui Chapter Steering Committee of the Hawaii Association for Marriage and Family Therapy, Hale Ipu Alakai – The Guiding Light, Wright Counseling Services, Samaritan Counseling Center of Hawaii, Aloha House Maui, The Bobby Benson Center, Ka Lima O Maui, Ka Hale A Ke Ola Homeless Resource Center, Compassionate Counseling, and several concerned individuals supported the proposed draft. The Hawaii Medical Service Association opposed the proposed draft.

Upon further consideration, your Committee has amended this concurrent resolution by deleting its contents and replacing it with language set forth in the proposed draft. As amended, this measure requests the Auditor to assess the social and financial effects of requiring health insurers to offer coverage for marriage and family therapists within mental health and alcohol and drug abuse treatment insurance benefits.

Accordingly, this measure has also been amended by changing its title to:

"HOUSE CONCURRENT RESOLUTION REQUESTING THE AUDITOR TO ASSESS THE SOCIAL AND FINANCIAL EFFECTS OF REQUIRING HEALTH INSURERS TO OFFER COVERAGE FOR MARRIAGE AND FAMILY THERAPISTS' SERVICES WITHIN MENTAL HEALTH AND ALCOHOL AND DRUG ABUSE TREATMENT INSURANCE BENEFITS."

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. 53, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 53, H.D. 1.

Signed by all members of the Committee except Representative Finnegan.

SCRep. 1447 Health on H.R. No. 123

The purpose of this resolution is to request the Women's Caucus of the Hawaii State Legislature to form action groups to disseminate information focusing on the elimination of cervical cancer in the state.

The Department of Health, American Cancer Society, American College of Obstetricians & Gynecologists - Hawaii Section, and Science and Technology International supported this resolution.

Your Committee recognizes the need to take immediate action on a health issue as serious as cervical cancer. In an effort to better address this issue and more fully encompass all areas that must be covered to assure the health and safety of those at risk of cervical cancer, your Committee has amended this resolution by adding a request that the Governor create the Hawaii Cervical Elimination Task Force (Task Force).

Specifically, the Task Force will:

- (1) Prepare a statistical and qualitative examination of the prevalence and burden of cervical cancer;

- (2) Raise public awareness of the causes and nature of cervical cancer, personal risk factors, value of prevention and early detection, options for testing, treatment costs, new technology, medical care reimbursement, and physical education;
- (3) Identify priority strategies, new technologies, or newly introduced vaccines that are effective in preventing and controlling cervical cancer;
- (4) Identify and examine the limitations of existing laws, rules, programs, and services with regard to coverage and awareness of cervical cancer;
- (5) Educate and urge medical providers to make educational information available to patients about human papillomavirus and prevention of cervical cancer;
- (6) Develop and promote a statewide comprehensive Cervical Cancer Prevention Plan (Plan), including strategies for implementing the Plan;
- (7) Secure specific commitments from, and facilitate coordination and communication among, state and local agencies, organizations, businesses, and other entities regarding current or future involvement in implementing and promoting the Plan or achieving other objectives of the Plan; and
- (8) Receive and consider reports and testimony from individuals, county health agencies, community-based organizations, voluntary health organizations, and other public and private organizations statewide to learn about their activities and ideas for improvement with respect to cervical cancer diagnosis, prevention, and treatment.

Accordingly, the title of this resolution has also been changed to:

"HOUSE RESOLUTION REQUESTING THE WOMEN'S CAUCUS OF THE HAWAII STATE LEGISLATURE TO FORM ACTION GROUPS TO DISSEMINATE INFORMATION FOCUSING ON THE ELIMINATION OF CERVICAL CANCER IN THE STATE, AND REQUESTING THE GOVERNOR TO ESTABLISH THE HAWAII CERVICAL CANCER ELIMINATION TASK FORCE."

Technical, nonsubstantive amendments were also made for 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.R. No. 123, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.R. No. 123, H.D. 1.

Signed by all members of the Committee.

SCRep. 1448 Health on H.C.R. No. 164

The purpose of this concurrent resolution is to request the Women's Caucus of the Hawaii State Legislature to form action groups to disseminate information focusing on the elimination of cervical cancer in the state.

The Department of Health, American Cancer Society, American College of Obstetricians & Gynecologists - Hawaii Section, and Science and Technology International supported this concurrent resolution.

Your Committee recognizes the need to take immediate action on a health issue as serious as cervical cancer. In an effort to better address this issue and more fully encompass all areas that must be covered to assure the health and safety of those at risk of cervical cancer, your Committee has amended this concurrent resolution by adding a request that the Governor create the Hawaii Cervical Elimination Task Force (Task Force).

Specifically, the Task Force will:

- (1) Prepare a statistical and qualitative examination of the prevalence and burden of cervical cancer;
- (2) Raise public awareness of the causes and nature of cervical cancer, personal risk factors, value of prevention and early detection, options for testing, treatment costs, new technology, medical care reimbursement, and physical education;
- (3) Identify priority strategies, new technologies, or newly introduced vaccines that are effective in preventing and controlling cervical cancer;
- (4) Identify and examine the limitations of existing laws, rules, programs, and services with regard to coverage and awareness of cervical cancer;
- (5) Educate and urge medical providers to make educational information available to patients about human papillomavirus and prevention of cervical cancer;
- (6) Develop and promote a statewide comprehensive Cervical Cancer Prevention Plan (Plan), including strategies for implementing the Plan;
- (7) Secure specific commitments from, and facilitate coordination and communication among, state and local agencies, organizations, businesses, and other entities regarding current or future involvement in implementing and promoting the Plan or achieving other objectives of the Plan; and

- (8) Receive and consider reports and testimony from individuals, county health agencies, community-based organizations, voluntary health organizations, and other public and private organizations statewide to learn about their activities and ideas for improvement with respect to cervical cancer diagnosis, prevention, and treatment.

Accordingly, the title of this concurrent resolution has also been changed to:

"HOUSE CONCURRENT RESOLUTION REQUESTING THE WOMEN'S CAUCUS OF THE Hawaiian Affairs ALL STATE LEGISLATURE TO FORM ACTION GROUPS TO DISSEMINATE INFORMATION FOCUSING ON THE ELIMINATION OF CERVICAL CANCER IN THE STATE, AND REQUESTING THE GOVERNOR TO ESTABLISH THE Hawaiian Affairs ALL CERVICAL CANCER ELIMINATION TASK FORCE."

Technical, nonsubstantive amendments were also made for 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. 164, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.C.R. No. 164, H.D. 1.

Signed by all members of the Committee.

SCRep. 1449 Health on H.C.R. No. 104

The purpose of this concurrent resolution is to expedite the process by which pretrial detainees are evaluated for competency, and are able to receive mental health services, when appropriate.

The Hawaii Disability Rights Center and Hawaii Government Employees Association testified in support of this concurrent resolution. The Judiciary supported the intent of the measure, and provided comments.

Your Committee finds that there is a need to assure that appropriate mental health services are available to pretrial detainees, and provided at the earliest possible stage of the criminal justice process, and that a working group within the Judiciary is an appropriate first step in that direction.

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. 104 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Nishimoto and Finnegan.

SCRep. 1450 Health on H.C.R. No. 93

The purpose of this concurrent resolution is to request the Attorney General to draft proposed legislation to amend the Involuntary Outpatient Treatment Law to aid seemingly functional persons with neurological disorders of the brain who need outpatient treatment but irrationally refuse such treatment.

The Representative of the 4th District and the Hawaii Psychiatric Medical Association supported this measure. The Attorney General offered comments.

Your Committee has amended this measure by amending its title and contents that requests the Attorney General and the Department of Health to adopt rules to actively inform mental health professionals and individuals with neurological disorders of the brain and their families, of the legal rights and options available to individuals with neurological disorders of the brain to ensure proper treatment. In addition, this measure, as amended, requests the Attorney General and DOH to:

- (1) Work in conjunction with other pertinent groups such as the National Alliance for the Mentally Ill to more efficiently carry out the information campaign; and
- (2) Submit a report on their progress to the Legislature, including statistics on the number of individuals informed by the information campaign.

Technical, nonsubstantive amendments were also made for 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. 93, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.C.R. No. 93, H.D. 1.

Signed by all members of the Committee except Representative Finnegan.

SCRep. 1451 Health on H.C.R. No. 157

The purpose of this concurrent resolution is to convene a working group to assess and develop a system to monitor vog emissions on the island of Hawaii.

The Department of Health supported the intent of this concurrent resolution, but provided testimony in opposition.

Your Committee finds that the Department of Health is currently engaged in the process of planning and developing a sulfur dioxide emission monitoring and advisory system for the island of Hawaii, and that this concurrent resolution reinforces the value and importance of their efforts.

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. 157 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Finnegan.

SCRep. 1452 Health on H.C.R. No. 218

The purpose of this concurrent resolution is to request that the Office of the State Auditor conduct a programmatic and financial audit of the Hawaii Tobacco Settlement Special Fund.

The Department of Health and the Department of Education provided testimony in support of this concurrent resolution.

Your Committee finds that sufficient time has elapsed since the establishment of the Hawaii Tobacco Settlement Special Fund to warrant an audit for the purpose of assessing the effectiveness and efficiency of the fund's expenditures, programs, administration, management, planning, and other relevant programmatic and fiscal issues.

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. 218 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cabanilla.

SCRep. 1453 Health on H.R. No. 154

The purpose of this resolution is to request the Office of the Auditor to conduct a financial audit of the Developmental Disabilities Division of the Department of Health (DOH) to address allegations of improper administration or misuse of funds in connection with federal Title XIX funds.

DOH, the Department of Human Services (DHS), and the State Council on Developmental Disabilities supported the intent of this resolution.

Your Committee finds that several reviews and audits are already underway that will address these concerns. For example, DHS and the federal Centers for Medicare and Medicaid Services are conducting audits of payments for developmental disabilities or mental retardation. In addition, the independent accounting firm of Grant Thornton is auditing all Medicaid waiver programs. Since another audit by the Office of the Auditor would be duplicative, your Committee has amended this resolution by:

- (1) Changing the title to read:
"REQUESTING THE DEVELOPMENTAL DISABILITIES DIVISION OF THE DEPARTMENT OF HEALTH TO SUBMIT A PROGRESS REPORT ON THE RESULTS OF AUDITS AND REVIEWS OF THE HOME AND COMMUNITY BASED SERVICES WAIVER PROGRAM FOR INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES OR MENTAL RETARDATION;"
- (2) Replacing the BE IT RESOLVED clause to reflect the provisions contained in the new title;
- (3) Adding several WHEREAS clauses that describe the various audits and reviews that are planned or already underway; and
- (4) Making technical, nonsubstantive amendments for 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.R. No. 154, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 154, H.D. 1.

Signed by all members of the Committee except Representative Finnegan.

SCRep. 1454 Health on H.C.R. No. 206

The purpose of this concurrent resolution is to request the Office of the Auditor to conduct a financial audit of the Developmental Disabilities Division of the Department of Health (DOH) to address allegations of improper administration or misuse of funds in connection with federal Title XIX funds.

DOH, the Department of Human Services (DHS), and the State Council on Developmental Disabilities supported the intent of this concurrent resolution.

Your Committee finds that several reviews and audits are already underway that will address these concerns. For example, DHS and the federal Centers for Medicare and Medicaid Services are conducting audits of payments for developmental disabilities or mental retardation. In addition, the independent accounting firm of Grant Thornton is auditing all Medicaid waiver programs. Since another audit by the Office of the Auditor would be duplicative, your Committee has amended this concurrent resolution by:

- (1) Changing the title to read:
"REQUESTING THE DEVELOPMENTAL DISABILITIES DIVISION OF THE DEPARTMENT OF HEALTH TO SUBMIT A PROGRESS REPORT ON THE RESULTS OF AUDITS AND REVIEWS OF THE HOME AND COMMUNITY BASED SERVICES WAIVER PROGRAM FOR INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES OR MENTAL RETARDATION;"

- (2) Replacing the BE IT RESOLVED clause to reflect the provisions contained in the new title;
- (3) Adding several WHEREAS clauses that describe the various audits and reviews that are planned or already underway; and
- (4) Making technical, nonsubstantive amendments for 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. 206, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 206, H.D. 1.

Signed by all members of the Committee except Representative Finnegan.

SCRep. 1455 Health/Human Services on H.R. No. 169

The purpose of this resolution is to request that the Department of Human Services and Chief of the Hawaii County Police Department make public information on the disappearance of Peter Kema, Jr.

The Hawaii Youth Services Network testified in favor of this resolution. The Department of Human Services opposed this measure.

Your Committees find that there are questions raised by the sequence of events in the case of Peter Kema, Jr., and that the investigation into his disappearance was seriously hampered because of the delay by the Department of Human Services in releasing information to the public. The Department of Human Services states that it has since adopted changes in its administrative rules that allow for a more timely release of information in missing children cases as long as there is no court order specifically prohibiting the release of information.

However, your Committees find that there is still a lack of closure in the Kema case and has amended this resolution to request that the Department of Human Services, Hawaii County Police Department, and Hawaii County Prosecuting Attorney provide a report on the status of the case to the President of the Senate, the Speaker of the House of Representatives, the Chair and members of the House of Representatives Committees on Health, Human Services, and Judiciary, respectively, and to the Chair and members of the Senate Committees on Health, Human Services, and Judiciary and Hawaiian Affairs, respectively.

Your Committees have also made technical nonsubstantive amendments for purposes of style and consistency.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 169, as amended herein, and recommend that it be referred to the Committee on Judiciary, in the form attached hereto as H.R. No. 169, H.D. 1.

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

SCRep. 1456 Health/Human Services on H.C.R. No. 226

The purpose of this concurrent resolution is to request that the Department of Human Services and Chief of the Hawaii County Police Department make public information on the disappearance of Peter Kema, Jr.

The Hawaii Youth Services Network testified in favor of this concurrent resolution. The Department of Human Services opposed this measure.

Your Committees find that there are questions raised by the sequence of events in the case of Peter Kema, Jr., and that the investigation into his disappearance was seriously hampered because of the delay by the Department of Human Services in releasing information to the public. The Department of Human Services states that it has since adopted changes in its administrative rules that allow for a more timely release of information in missing children cases as long as there is no court order specifically prohibiting the release of information.

However, your Committees find that there is still a lack of closure in the Kema case and has amended this concurrent resolution to request that the Department of Human Services, Hawaii County Police Department, and Hawaii County Prosecuting Attorney provide a report on the status of the case to the President of the Senate, the Speaker of the House of Representatives, the Chair and members of the House of Representatives Committees on Health, Human Services, and Judiciary, respectively, and to the Chair and members of the Senate Committees on Health, Human Services, and Judiciary and Hawaiian Affairs, respectively.

Your Committees have also made technical nonsubstantive amendments for purposes of style and consistency.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 226, as amended herein, and recommend that it be referred to the Committee on Judiciary, in the form attached hereto as H.C.R. No. 226, H.D. 1.

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

SCRep. 1457 Energy & Environmental Protection on H.R. No. 125

The purpose of this measure is to request the University of Hawaii Center for Smart Building and Community Design to develop energy efficient design and performance standards for new construction, renovation, and retrofitting of all buildings in the University of Hawaii system.

Hawaiian Electric Company and the University of Hawaii system presented testimony in support of the measure.

Your Committee finds that the measure could result in substantial reductions in energy use and commensurate cost savings for the University of Hawaii system.

Your Committee has amended this measure by:

- (1) Including considerations of quantitative and qualitative improvements in development of the requested design and construction standards;
- (2) Requiring that criteria for life cycle cost analysis be included in the requested design and construction standards;
- (3) Widening the range of interested parties that the Center for Smart Building and Community Design is to consult with in preparation of their report;
- (4) Inserting a provision requesting the Center for Smart Building and Community Design to report on the cost-benefit analysis and the benefits of establishing the position of an Energy Conservation Manager for the University of Hawaii system; and
- (5) Making a technical nonsubstantive change for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection 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 Carroll, Kanoho and Waters.

SCRep. 1458 Energy & Environmental Protection on H.C.R. No. 166

The purpose of this measure is to request the University of Hawaii Center for Smart Building and Community Design to develop energy efficient design and performance standards for new construction, renovation, and retrofitting of all buildings in the University of Hawaii system.

Hawaiian Electric Company and the University of Hawaii system presented testimony in support of the measure.

Your Committee finds that the measure could result in substantial reductions in energy use and commensurate cost savings for the University of Hawaii system.

Your Committee has amended this measure by:

- (1) Including considerations of quantitative and qualitative improvements in development of the requested design and construction standards;
- (2) Requiring that criteria for life cycle cost analysis be included in the requested design and construction standards;
- (3) Widening the range of interested parties that the Center for Smart Building and Community Design is to consult with in preparation of their report;
- (4) Inserting a provision requesting the Center for Smart Building and Community Design to report on the cost-benefit analysis and the benefits of establishing the position of an Energy Conservation Manager for the University of Hawaii system; and
- (5) Making a technical nonsubstantive change for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 166, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 166, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Kanoho and Waters.

SCRep. 1459 International Affairs on H.R. No. 121

The purpose of this Resolution is to request that the Hawaii Congressional Delegation support humanitarian visas and the easing of restrictions that deny the issuance of such visas for the benefit of the citizens of the United States.

A district representative for United States Representative Ed Case spoke in support of this Resolution.

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. 121 and recommends its adoption.

Signed by all members of the Committee except Representative Cabanilla.

SCRep. 1460 International Affairs on H.C.R. No. 162

The purpose of this Concurrent Resolution is to request that the Hawaii Congressional Delegation support humanitarian visas and the easing of restrictions that deny the issuance of such visas for the benefit of the citizens of the United States.

A district representative for United States Representative Ed Case spoke in support of this Concurrent Resolution.

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. 162 and recommends its adoption.

Signed by all members of the Committee except Representative Cabanilla.

SCRep. 1461 Education on H.C.R. No. 199

The purpose of this concurrent resolution is to recognize the achievements of Pacific Resources for Education and Learning (PREL) in Hawaii, and support its designation as an "educational service agency" for the State of Hawaii.

The Department of Education testified in support of this measure.

PREL, a nonprofit educational services agency, has consistently provided exceptional products and services that address the diverse educational needs of Hawaii's children.

Your Committee finds that a statewide educational services agency must be certified by the Hawaii State Legislature to be consistent with federal guidelines under the No Child Left Behind Act of 2001. Your Committee finds that PREL, in consideration of its many successes in promoting literacy and student learning and accountability, is well-equipped to meet the challenges of being Hawaii's statewide educational services agency.

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. 199 and recommends its adoption.

Signed by all members of the Committee except Representatives Arakaki and Cabanilla.

SCRep. 1462 Education on H.R. No. 140

The purpose of this resolution is to improve the fiscal efficiency and accountability of the public education system by requesting the Department of Education (DOE) to provide a cost breakdown analysis of the budget amount allocated to DOE that is not included in the weighted student formula or the non-discretionary funds, including a cost breakdown by individual school and by budget item or service.

DOE supported the intent of this resolution.

Your Committee has amended this resolution by:

- (1) Specifying that the cost breakdown by individual school is to be generated to the degree that funds are allocated to individual schools; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 140, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 140, H.D. 1.

Signed by all members of the Committee except Representatives Arakaki and Cabanilla.

SCRep. 1463 Education on H.C.R. No. 188

The purpose of this concurrent resolution is to improve the fiscal efficiency and accountability of the public education system by requesting the Department of Education (DOE) to provide a cost breakdown analysis of the budget amount allocated to DOE that is not included in the weighted student formula or the non-discretionary funds, including a cost breakdown by individual school and by budget item or service.

DOE supported the intent of this concurrent resolution.

Your Committee has amended this concurrent resolution by:

- (1) Specifying that the cost breakdown by individual school is to be generated to the degree that funds are allocated to individual schools; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 188, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 188, H.D. 1.

Signed by all members of the Committee except Representatives Arakaki and Cabanilla.

SCRep. 1464 Education on H.R. No. 155

The purpose of this resolution is to support early childhood education, adult literacy, and parenting education by requesting the continuation of funding for the Even Start Family Literacy Program.

Several concerned individuals testified in support of this resolution.

Your Committee has amended this resolution by:

- (1) Clarifying that the scope of the measure includes the Even Start Family Literacy Program at sites in Hawaii other than Blanche Pope Elementary School that have not been included in the federal budget; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 155, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 155, H.D. 1.

Signed by all members of the Committee except Representatives Arakaki and Cabanilla.

SCRep. 1465 Education on H.C.R. No. 208

The purpose of this concurrent resolution is to support early childhood education, adult literacy, and parenting education by requesting the continuation of funding for the Even Start Family Literacy Program.

Several concerned individuals testified in support of this concurrent resolution.

Your Committee has amended this concurrent resolution by:

- (1) Clarifying that the scope of the measure includes the Even Start Family Literacy Program at sites in Hawaii other than Blanche Pope Elementary School that have not been included in the federal budget; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 208, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 208, H.D. 1.

Signed by all members of the Committee except Representatives Arakaki and Cabanilla.

SCRep. 1466 Higher Education on H.R. No. 122

The purpose of this resolution is to determine the need for additional parking at the University of Hawaii's Kapiolani Community College (KCC) by supporting the use of KCC students to collect and report statistical evidence on the need for an additional parking facility at KCC.

KCC and a concerned student testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 122 and recommends its adoption.

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

SCRep. 1467 Higher Education on H.C.R. No. 163

The purpose of this concurrent resolution is to determine the need for additional parking at the University of Hawaii's Kapiolani Community College (KCC) by supporting the use of KCC students to collect and report statistical evidence on the need for an additional parking facility at KCC.

KCC and a concerned student testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee 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 Chang and Hale.

SCRep. 1468 Water, Land, & Ocean Resources/Hawaiian Affairs on H.C.R. No. 130

The purpose of this concurrent resolution is to improve state boating facilities without relying on state resources by requesting the Board of Land and Natural Resources to:

- (1) Meet with all stakeholders and registered users of Keehi Lagoon, including the Office of Hawaiian Affairs and canoe-paddling clubs, to review and update the Keehi Lagoon Recreation Plan, and in particular, to discuss the feasibility and means by which unutilized and underutilized areas of Keehi Lagoon may be used productively; and

- (2) Explore the leasing of unutilized fast and submerged lands for private development of boating and ocean recreational facilities.

The Hawaii Boaters Political Action Association and two concerned individuals testified in support of this concurrent resolution. The Department of Land and Natural Resources and Hawaii Government Employees Association supported the intent of this measure.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 130 and recommend its adoption.

Signed by all members of the Committee except Representative Saiki.

SCRep. 1469 Education/Higher Education on H.R. No. 104

The purpose of this resolution is to support the right of every United States resident to have access to a high-quality public education by urging Congress to pass legislation for a federally-funded, high-quality public education system from the preschool to the university level.

The Department of Education, Americans for Democratic Action, Hawaii Chapter, and a concerned individual testified in support of this resolution.

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. 104 and recommend its adoption.

Signed by all members of the Committee except Representatives Arakaki, Cabanilla, Chang and Kahikina.

SCRep. 1470 Education/Higher Education on H.C.R. No. 142

The purpose of this concurrent resolution is to support the right of every United States resident to have access to a high-quality public education by urging Congress to pass legislation for a federally-funded, high-quality public education system from the preschool to the university level.

The Department of Education, Americans for Democratic Action, Hawaii Chapter, and a concerned individual testified in support of this concurrent resolution.

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. 142 and recommend its adoption.

Signed by all members of the Committee except Representatives Arakaki, Cabanilla, Chang and Kahikina.

SCRep. 1471 Labor & Public Employment on H.R. No. 199

The purpose of this resolution is to request that the Department of Human Resources Development (DHRD), the Judiciary, Department of Education (DOE), University of Hawaii (UH), and the Hawaii Health Systems Corporation (HHSC) each crate a separate report on all civil service exempt positions under their respective jurisdictions. The report should include, but not be limited to:

- (1) When the position was established;
- (2) The purpose of the position;
- (3) The reason for the exemption from civil service; and
- (4) Findings and recommendations on whether the position should remain exempt or be converted to a civil service position.

DHRD and the Hawaii Government Employees Association testified in support of this measure. DOE submitted comments.

Your Committees recognizes that section 76-16, Hawaii Revised Statutes, states that:

[t]he legislature declares that the public policy of the State is that all positions in the civil service systems of the respective jurisdictions shall be filled through civil service recruitment procedures based on merit and that the civil service system of the respective jurisdictions shall comprise all positions, whether permanent or temporary, in the jurisdiction now existing or hereafter established and embrace all personal services performed for the jurisdiction, except employees or positions exempted under this section, or sections 46-33 or 76-77[.]

Your Committee also recognizes that the Legislature previously passed Act 253, Session Laws of Hawaii 2000, which reaffirmed the forgoing state policy that all positions and personal services in the State of Hawaii should be covered by the civil service system, unless specifically exempted.

Therefore, your Committee wishes to obtain information regarding the number, type, and reasons for the various exempt positions in state agencies. Your Committee requires this information to determine whether certain job positions should be considered

part of the civil service system, or exempt from civil service. Additionally, your Committee also needs this information to address concerns about any possible abuses involved with employees hired as exempt employees, and therefore excluded from the civil service system.

Recently, DHRD was directed to review and assess the numbers of, and basis for, civil service and exempt positions within its jurisdiction. Accordingly, DHRD completed a 2004 "Exempt Study Report," a supplement to the 2004 "Study Report," and a 2005 "Exempt Study Report."

At this point, however, your Committee does not have any information on civil service and exempt employees that fall under state agencies that are not under the jurisdiction of DHRD. This includes the Judiciary, DOE, UH, and HHSC. In addition, an updated report from DHRD regarding information requested through this resolution that is not already included in the previous reports prepared by DHRD will also be needed to create effective legislation that would address the civil service system as it applies to all state public agencies.

Your Committee has amended this measure by:

- (1) Requesting that the reports include a timetable that specifies when each department will convert the specified exempt positions to civil service positions;
- (2) Including the Director of DHRD as one of the recipients of this resolution; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 199, as amended herein, and recommends its adoption in the form attached hereto as H.R. 199, H.D. 1.

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

SCRep. 1472 Labor & Public Employment on H.C.R. No. 270

The purpose of this concurrent resolution is to request that the Department of Human Resources Development (DHRD), the Judiciary, Department of Education (DOE), University of Hawaii (UH), and the Hawaii Health Systems Corporation (HHSC) each crate a separate report on all civil service exempt positions under their respective jurisdictions. The report should include, but not be limited to:

- (1) When the position was established;
- (2) The purpose of the position;
- (3) The reason for the exemption from civil service; and
- (4) Findings and recommendations on whether the position should remain exempt or be converted to a civil service position.

DHRD and the Hawaii Government Employees Association testified in support of this measure. DOE submitted comments.

Your Committee recognizes that section 76-16, Hawaii Revised Statutes, states that:

[t]he legislature declares that the public policy of the State is that all positions in the civil service systems of the respective jurisdictions shall be filled through civil service recruitment procedures based on merit and that the civil service system of the respective jurisdictions shall comprise all positions, whether permanent or temporary, in the jurisdiction now existing or hereafter established and embrace all personal services performed for the jurisdiction, except employees or positions exempted under this section, or sections 46-33 or 76-77[.]

Your Committee also recognizes that the Legislature previously passed Act 253, Session Laws of Hawaii 2000, which reaffirmed the foregoing state policy that all positions and personal services in the State of Hawaii should be covered by the civil service system, unless specifically exempted.

Therefore, your Committee wishes to obtain information regarding the number, type, and reasons for the various exempt positions in state agencies. Your Committee requires this information to determine whether certain job positions should be considered part of the civil service system, or exempt from civil service. Additionally, your Committee also needs this information to address concerns about any possible abuses involved with employees hired as exempt employees, and therefore excluded from the civil service system.

Recently, DHRD was directed to review and assess the numbers of, and basis for, civil service and exempt positions within its jurisdiction. Accordingly, DHRD completed a 2004 "Exempt Study Report," a supplement to the 2004 "Study Report," and a 2005 "Exempt Study Report."

At this point, however, your Committee does not have any information on civil service and exempt employees that fall under state agencies that are not under the jurisdiction of DHRD. This includes the Judiciary, DOE, UH, and HHSC. In addition, an updated report from DHRD regarding information requested through this concurrent resolution that is not already included in the previous reports prepared by DHRD will also be needed to create effective legislation that would address the civil service system as it applies to all state public agencies.

Your Committee has amended this measure by:

- (1) Requesting that the reports include a timetable that specifies when each department will convert the specified exempt positions to civil service positions;
- (2) Including the Director of DHRD as one of the recipients of this concurrent resolution; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 270, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. 270 H.D. 1.

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

SCRep. 1473 Labor & Public Employment on H.R. No. 151

The purpose of this resolution is to declare May 5, 2005, as "Cleaners' Appreciation Day" in the State of Hawaii.

ILWU Local 142 and a concerned individual testified in support of this measure.

Your Committee recognizes that employees in the cleaning and custodial fields in the State engage in arduous and physically demanding work to ensure that public and private facilities, buildings, and historic landmarks remain clean and beautiful. Due to the hard work of these individuals, employees throughout the State are able to work in clean, tidy, and respectable work environments. Oftentimes, however, the hard work of these individuals goes unnoticed and unrecognized.

Additionally, the hard work of these individuals can be seen first-hand here at the State Capitol. Day after day, the office and custodial workers ensure that our building remains clean and beautiful, by doing things such as polishing our floors, cleaning our offices, and emptying our trash receptacles. In fact, residents and visitors alike often comment on the cleanliness, tidiness, and attractiveness of our State Capitol. Many visiting legislators have even stated that our State Capitol building is one of the most beautiful in the entire country.

Many of the office and custodial employees throughout the State of Hawaii have held their job positions for years, or even decades. Many work in the quiet of night, when no one is around, to make our work environment clean and safe. Those individuals deserve appreciation and gratitude for their hard work.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 151 and recommends its adoption.

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

SCRep. 1474 Labor & Public Employment on H.C.R. No. 202

The purpose of this concurrent resolution is to declare May 5, 2005, as "Cleaners' Appreciation Day" in the State of Hawaii.

ILWU Local 142 and a concerned individual testified in support of this measure.

Your Committee recognizes that employees in the cleaning and custodial fields in the State engage in arduous and physically demanding work to ensure that public and private facilities, buildings, and historic landmarks remain clean and beautiful. Due to the hard work of these individuals, employees throughout the State are able to work in clean, tidy, and respectable work environments. Oftentimes, however, the hard work of these individuals goes unnoticed and unrecognized.

Additionally, the hard work of these individuals can be seen first-hand here at the State Capitol. Day after day, the office and custodial workers ensure that our building remains clean and beautiful, by doing things such as polishing our floors, cleaning our offices, and emptying our trash receptacles. In fact, residents and visitors alike often comment on the cleanliness, tidiness, and attractiveness of our State Capitol. Many visiting legislators have even stated that our State Capitol building is one of the most beautiful in the entire country.

Many of the office and custodial employees throughout the State of Hawaii have held their job positions for years, or even decades. Many work in the quiet of night, when no one is around, to make our work environment clean and safe. Those individuals deserve appreciation and gratitude for their hard work.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 202 and recommends its adoption.

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

SCRep. 1475 Labor & Public Employment on H.R. No. 198

The purpose of this resolution is to request that the Department of Human Resources Development (DHRD) with the cooperation of the Judiciary, Department of Education, University of Hawaii, and the Hawaii Health Systems Corporation, to report on the number of employees under their respective jurisdiction who:

- (1) Are considered part-time employees;
- (2) Are considered eighty-nine-day "emergency" hires;

- (3) Occupy a position that is at least half of a full-time equivalent position and who work less than 20 hours a week; and
- (4) Are not receiving health or pension benefits.

DHRD commented on this measure.

It is the concern of this Committee that the departments within the state bureaucracy continue to rely on workers who are part-time, eighty-nine-day "emergency" hires, occupying positions that are at least half of a full-time equivalent, who work less than 20 hours a week, and/or are not receiving health or pension benefits. The Civil Service Reform Act of 2000 was designed in part to reduce the number of exempt positions and convert them to civil service.

Your Committee has amended this measure to ensure that the various jurisdictional entities identified above provide the following information to DHRD to incorporate in their report to the Legislature:

- (1) The length of time eighty-nine-day emergency hires are retained on average;
- (2) Whether these employees are receiving benefits from another source; and
- (3) If benefits are being received, what the source is (whether it is through a pension plan, Quest (Medicaid), or through a spouse's employment or pension system).

Your Committee further respectfully requests that this information be presented to the Legislature in one report to be presented in January prior to the convening of the Regular Session of 2006.

Technical, nonsubstantive amendments were also made for consistency and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 198, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 198, H.D. 1.

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

SCRep. 1476 Labor & Public Employment on H.C.R. No. 269

The purpose of this concurrent resolution is to request that the Department of Human Resources Development (DHRD) with the cooperation of the Judiciary, Department of Education, University of Hawaii, and the Hawaii Health Systems Corporation, to report on the number of employees under their respective jurisdiction who:

- (1) Are considered part-time employees;
- (2) Are considered eighty-nine-day "emergency" hires;
- (3) Occupy a position that is at least half of a full-time equivalent position and who work less than 20 hours a week; and
- (4) Are not receiving health or pension benefits.

DHRD commented on this measure.

It is the concern of this Committee that the departments within the state bureaucracy continue to rely on workers who are part-time, eighty-nine-day "emergency" hires, occupying positions that are at least half of a full-time equivalent, who work less than 20 hours a week, and/or are not receiving health or pension benefits. The Civil Service Reform Act of 2000 was designed in part to reduce the number of exempt positions and convert them to civil service.

Your Committee has amended this measure to ensure that the various jurisdictional entities identified above provide the following information to DHRD to incorporate in their report to the Legislature:

- (1) The length of time eighty-nine-day emergency hires are retained on average;
- (2) Whether these employees are receiving benefits from another source; and
- (3) If benefits are being received, what the source is (whether it is through a pension plan, Quest (Medicaid), or through a spouse's employment or pension system).

Your Committee further respectfully requests that this information be presented to the Legislature in one report to be presented in January prior to the convening of the Regular Session of 2006.

Technical, nonsubstantive amendments were also made for consistency and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 269, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 269, H.D. 1.

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

SCRep. 1477 Labor & Public Employment on H.R. No. 100

The purpose of this resolution is to urge President George W. Bush to carefully reconsider his current policy goal of privatizing social security.

ILWU Local 142 testified in support of this measure. The Hawaii Alliance for Retired Americans testified in opposition to this measure.

The concern of your Committee is that social security was established as a part of a "social safety net". It was never meant to replace income upon retirement, but to ensure that people who have productively contributed to society through their working years are not left in their old age without any means to sustain themselves.

Your Committee agrees that working people should voluntarily supplement their retirement income when possible by investing in private retirement savings plans such as 401K, IRA, mutual funds, and other types of supplemental retirement programs.

Your Committee has great concerns about diverting part of the Social Security Trust Fund into the stock market, where regardless of reassurances, a higher risk level exists. Any failure in a "private account" system, in the end, will fall back on the Federal or state government to resolve through some additional program.

It is clear that when dealing with the Social Security Trust Fund that the best approach is a "risk averse" one that will ensure that the trust fund is solvent. Your Committee believes we should not take unnecessary steps that jeopardize the elder years of the hard working women and men who pay into the Social Security system.

Finally, your Committee agrees that the Social Security Trust Fund does need to be shored up to ensure solvency, but there is greater concern over the solvency of the Medicare system which has widely been reported as an even more urgent problem. Your Committee urges the President of the United States and the Congress to address this far more urgent crisis before being concerned about a shortfall that is 36 years away and can be addressed without dismantling the entire Social Security system. Certainly Social Security should be addressed and all prudent options should be on the table, but the problems surrounding Medicare are far more pressing.

Your Committee has amended this resolution by:

- (1) Expanding the number of recipients to receive certified copies of this resolution to include the Speaker of the United States House of Representatives, President of the United States Senate, Hawaii's congressional delegation, and the Governor of the State of Hawaii; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 100, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 100, H.D. 1.

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

SCRep. 1478 Labor & Public Employment on H.C.R. No. 134

The purpose of this concurrent resolution is to urge President George W. Bush to carefully reconsider his current policy goal of privatizing social security.

ILWU Local 142 testified in support of this measure. The Hawaii Alliance for Retired Americans opposed this measure.

The concern of your Committee is that social security was established as a part of a "social safety net". It was never meant to replace income upon retirement, but to ensure that people who have productively contributed to society through their working years are not left in their old age without any means to sustain themselves.

Your Committee agrees that working people should voluntarily supplement their retirement income when possible by investing in private retirement savings plans such as 401K, IRA, mutual funds, and other types of supplemental retirement programs.

Your Committee has great concerns about diverting part of the Social Security Trust Fund into the stock market, where regardless of reassurances, a higher risk level exists. Any failure in a "private account" system, in the end, will fall back on the Federal or state government to resolve through some additional program.

It is clear that when dealing with the Social Security Trust Fund that the best approach is a "risk averse" one that will ensure that the trust fund is solvent. Your Committee believes we should not take unnecessary steps that jeopardize the senior years of the hard working women and men who pay into the Social Security system.

Finally, your Committee agrees that the Social Security Trust Fund does need to be shored up to ensure solvency, but there is greater concern over the solvency of the Medicare system which has widely been reported as an even more urgent problem. Your Committee urges the President of the United States and the Congress to address this far more urgent crisis before being concerned about a shortfall that is 36 years away and can be addressed without dismantling the entire Social Security system. Certainly Social Security should be addressed and all prudent options should be on the table, but the problems surrounding Medicare are far more pressing.

Your Committee has amended this concurrent resolution by:

- (1) Expanding the number of recipients to receive certified copies of this resolution to include the Speaker of the United States House of Representatives, President of the United States Senate, Hawaii's congressional delegation, and the Governor of the State of Hawaii; and

- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 134, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 134, H.D. 1.

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

SCRep. 1479 Health on H.R. No. 162

The purpose of this resolution is to urge the administrative, legislative, and county branches of government to move towards making Hawaii a smoke-free state by the year 2010.

The Coalition for a Tobacco Free Hawaii, American Cancer Society, American Heart Association, and a concerned individual testified in support of this resolution.

Your Committee finds that Hawaii is known as the "Health State" and that taking steps towards making Hawaii a smoke-free state by the year 2010 would be a strong demonstration of the state and counties' commitment to the health and well-being of Hawaii's residents.

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. 162 and recommends its adoption.

Signed by all members of the Committee except Representative Cabanilla.

SCRep. 1480 Health on H.C.R. No. 216

The purpose of this concurrent resolution is to urge the administrative, legislative, and county branches of government to move towards making Hawaii a smoke-free state by the year 2010.

The Coalition for a Tobacco Free Hawaii, American Cancer Society, American Heart Association, and a concerned individual testified in support of this concurrent resolution.

Your Committee finds that Hawaii is known as the "Health State" and that taking steps towards making Hawaii a smoke-free state by the year 2010 would be a strong demonstration of the state and counties' commitment to the health and well-being of Hawaii's residents.

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. 216 and recommends its adoption.

Signed by all members of the Committee except Representative Cabanilla.

SCRep. 1481 Health/Human Services on H.R. No. 70

The purpose of this measure is to officially acknowledge the contribution of family caregivers and to make the support of family caregivers a state objective.

The Alzheimer's Association, Policy Advisory Board for Elder Affairs, ILWU Local 142, and a concerned individual testified in support of this measure. One individual provided comments. The Executive Office on Aging supported the intent of the measure and submitted comments.

Your Committees find that family caregivers provide services that are invaluable to their families and to the State as a whole. Institutional long-term care is expensive and costly, but can often be avoided or delayed when caregiving is provided by the family. However, caring for an elderly or disabled family member is often physically, emotionally, and financially exhausting. Your Committees find that the recognition and support of family caregivers is a worthy state objective.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 70 and recommend its adoption.

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

SCRep. 1482 Health/Human Services on H.C.R. No. 95

The purpose of this measure is to officially acknowledge the contribution of family caregivers and to make the support of family caregivers a state objective.

The Alzheimer's Association, Policy Advisory Board for Elder Affairs, ILWU Local 142, and a concerned individual testified in support of this measure. One individual provided comments. The Executive Office on Aging supported the intent of the measure and submitted comments.

Your Committees find that family caregivers provide services that are invaluable to their families and to the State as a whole. Institutional long-term care is expensive and costly, but can often be avoided or delayed when caregiving is provided by the family. However, caring for an elderly or disabled family member is often physically, emotionally, and financially exhausting. Your Committees find that the recognition and support of family caregivers is a worthy state objective.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 95 and recommend its adoption.

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

SCRep. 1483 Health/Human Services on H.R. No. 71

The purpose of this Resolution is to urge the Department of Health and Department of Human Services to develop methods of supporting caregivers that provide free and continuing at-home care for family members needing long-term care.

The Department of Human Services, Executive Office of Aging, ILWU Local 142, and the Policy Advisory Board of Elder Affairs testified in support of this Resolution.

Your Committees find that individuals that provide care in their homes for family members on a continual basis deserve the support of the Department of Health and Department of Human Services by whatever means these departments are able to provide assistance.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 71 and recommend its adoption.

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

SCRep. 1484 Health/Human Services on H.C.R. No. 96

The purpose of this Concurrent Resolution is to urge the Department of Health and Department of Human Services to develop methods of supporting caregivers that provide free and continuing at-home care for family members needing long-term care.

The Department of Human Services, Executive Office of Aging, ILWU Local 142, and the Policy Advisory Board of Elder Affairs testified in support of this Concurrent Resolution.

Your Committees find that individuals that provide care in their homes for family members on a continual basis deserve the support of the Department of Health and Department of Human Services by whatever means these departments are able to provide assistance.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 96 and recommend its adoption.

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

SCRep. 1485 Judiciary on S.B. No. 40

The purpose of this bill is to ensure the availability of health care for children at all times by giving a minor's caregiver the right to consent to health care services for the minor if the caregiver possesses and presents an affidavit of caregiver consent.

The Department of Human Services, Kokua Council, Policy Advisory Board for Elderly Affairs, Blueprint for Change, Hawaii Pacific Health, Na Tutu - Grandparents Raising Grandchildren Coalition, and several concerned individuals testified in support of this bill.

Your Committee has amended this bill by making technical, nonsubstantive amendments for clarity and style and to conform to drafting convention.

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. 40, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 40, 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 Kanoho.

SCRep. 1486 Judiciary on S.B. No. 621

The purpose of this bill is to improve the processing of traffic infraction cases by:

- (1) Eliminating inconsistencies in the adjudication of similar traffic offenses;
- (2) Clarifying language that limits court adjudication of traffic infractions involving an accident resulting in personal injury or property damage, to those that also involve a criminal charge; and
- (3) Extending the time period for answering a notice of traffic infraction from 15 to 21 days.

The Judiciary testified in support of this bill.

Your Committee has amended this bill by:

- (1) Clarifying that no penal sanction that includes imprisonment applies to a traffic infraction;

- (2) Clarifying that a person answering a notice of traffic infraction must request a hearing if the person wishes to personally appear before a judge to contest the infraction or explain mitigating circumstances;
- (3) Setting forth the notice requirements for a requested hearing on a traffic infraction that does not involve parking;
- (4) Repealing the requirement that court mailings of hearing notices for parking cases must be sent within 30 days after the postmarked date of a person's answer to a notice of traffic infraction;
- (5) Clarifying that the amount that must be paid for a traffic infraction includes the total amount of any fees, surcharges, costs, or monetary assessments arising from the infraction;
- (6) Allowing credit and debit card payments over the Internet or by telephone for admitted traffic infractions;
- (7) Changing the effective date to January 1, 2006, except for the following provisions to take effect upon approval of this measure:
 - (A) Clarifying that no penal sanction that includes imprisonment applies to a traffic infraction; and
 - (B) Clarifying language that limits court adjudication of traffic infractions involving an accident resulting in personal injury or property damage, to those that also involve a criminal charge;

and
- (8) Making technical, nonsubstantive amendments for clarity, 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. 621, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 621, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Caldwell and Kanoho.

SCRep. 1487 Finance on S.B. No. 698

The purpose of this bill is to amend the law relating to information required for a state identification card by:

- (1) Requiring the Hawaii Criminal Justice Data Center to photograph an applicant's full face for a Hawaii State Identification Card; and
- (2) Deleting the exception for information that is impracticable to obtain.

The Attorney General testified in support of this bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 698, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 698, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Carroll and Nishimoto.

SCRep. 1488 Finance on S.B. No. 1872

The purpose of this bill is to authorize the issuance of up to \$20,000,000 in special purpose revenue bonds (SPRB) to assist Palolo Chinese Home and its not-for-profit subsidiaries to finance the expansion, construction, and rebuilding of its health care facilities.

Palolo Chinese Home and a concerned individual testified in support of this bill. The Department of Budget and Finance provided comments.

Your Committee has amended this bill by:

- (1) Increasing the SPRB authorization amount to \$40,000,000; and
- (2) Changing the effective date to July 1, 2010, to encourage 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. 1872, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1872, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Carroll and Nishimoto.

SCRep. 1489 Judiciary on S.B. No. 122

The purpose of this bill is to promote frank discussion, and thereby enhance patient safety, by extending to the records and proceedings of "case review forums" the protection from discovery that currently applies to peer review committees and quality assurance committees.

The Consumer Lawyers of Hawaii, Hawaii Pacific Health, Healthcare Association of Hawaii, and Kaiser Permanente supported this bill.

Your Committee has amended this measure by:

- (1) Deleting the phrase "and to convene meetings for the presentation and critique of cases for educational purposes" from the definition of "quality assurance committee," as duplicative of the definition of "case review forum," based on the legislative history of section 624-25.5, Hawaii Revised Statutes. Your Committee notes that S.B. No. 2577, as introduced in the 2004 legislative session, contained a definition of "case review forum" that is identical to the definition in this measure. Your Committee notes further that the Senate Committee on Health amended S.B. No. 2577 by removing references to "case review forum" and incorporating the concept of that term into the definition of "quality assurance committee"; and
- (2) Making technical, nonsubstantive amendments for style, clarity, 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. 122, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 122, S.D. 1, H.D. 3.

Signed by all members of the Committee except Representative Kanoho.

SCRep. 1490 Judiciary on S.B. No. 556

The purpose of this bill is to improve the process for child custody determinations by, among other things:

- (1) Requiring both parties to a child custody dispute to develop a mutually agreed-upon or separate parenting plan, to be filed with the divorce complaint or answer;
- (2) Requiring the court to:
 - (A) Develop and file a detailed parenting plan upon request by either of the parties when the parties are unable to agree on a parenting plan;
 - (B) Make written findings for every order issued regarding the custody of a minor child, including orders applying to or rebutting any statutory presumptions; and
 - (C) Award custody in a manner that allows frequent, continuing, and meaningful contact with both parents, if possible;
- (3) Allowing the court to appoint a custody evaluator or investigator, in addition to a guardian ad litem, to represent the interests of the child in a custody dispute;
- (4) Requiring the guardian ad litem, custody evaluator, or investigator to inform the court if the child expresses a preference regarding any parenting plan, custody, or visitation issues;
- (5) Creating a rebuttable presumption that joint custody is in the best interests of the minor child, where joint custody is sought by either parent or party in an action for annulment, divorce, or separation; and
- (6) Providing that in cases where the rebuttable presumption for joint custody is inconsistent with other presumptions or standards, the best interests of the child and safety of the parties take precedence.

The Children's Rights Council of Hawaii and numerous concerned individuals testified in support of this bill. The Legal Aid Society of Hawaii, Domestic Violence Clearinghouse and Legal Hotline, Hawaii State Coalition Against Domestic Violence, and three concerned individuals opposed this measure. The Judiciary and three concerned individuals offered comments.

Your Committee finds that this measure is aimed at encouraging shared parenting in child custody determinations. However, numerous concerns have been raised regarding the various provisions of this bill, including, among other things:

- (1) The burden on Family Court judges of being required to make written findings for every order issued regarding child custody;
- (2) The potential for parental pressures on children if a guardian ad litem, custody evaluator, or investigator is required to inform the court if the child expresses a preference regarding any parenting plan, custody, or visitation issues; and
- (3) The application of a rebuttable presumption favoring joint custody in every child custody dispute whenever joint custody is requested by either party, regardless of the particular circumstances of each individual case.

Your Committee notes the effective date of this bill is July 1, 2050, and finds that this measure merits further discussion.

Accordingly, your Committee has amended this bill by deleting its contents except for the provisions requiring parties to a child custody dispute to develop and file a parenting plan.

Your Committee has further amended this bill by:

- (1) Clarifying that the parties are required to file the parenting plan at the outset of every action that includes a contested custody of children, rather than only with a divorce complaint or answer;
- (2) Specifying that a detailed parenting plan may include provisions relating to breastfeeding, if applicable;
- (3) Deleting reference to provisions relating to sharing child-related expenses not otherwise specified, from the list of provisions that may be included in a detailed parenting plan;
- (4) Providing that if the parties cannot agree on a parenting plan, the court may:
 - (A) Order the parties to participate in alternative dispute resolution and in counseling with a person with professional experience in child custody or parenting issues, or with other appropriate education, unless there is a finding of family violence; and
 - (B) Develop and file a detailed parenting plan when requested by either of the parties;
- (5) Allowing the court or the parties to revise and amend the parenting plan from time to time; and
- (6) Making 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. 556, 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. 556, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Kanoho.

SCRep. 1491 Finance on S.B. No. 1695

The purpose of this bill is to support emerging and expanding businesses in Hawaii by:

- (1) Authorizing the Hawaii Strategic Development Corporation (HSDC) to transfer tax credits and increasing the total amount of contingent tax credits that HSDC may transfer; and
- (2) Adding insurance premium taxes to the list of taxes for which tax credits may be issued,

to fulfill the purposes of Act 215, Session Laws of Hawaii 2004, which established the State Private Investment Fund and extended and improved certain tax incentives developed for the high technology industry.

HSDC, Hawaii Venture Capital Association, Hawaii Technology Trade Association, International Venture Fund, Hawaii Pacific Health, Hawaii Biotech, Inc., Nanopoint, Mele Associates, Inc., HiBEAM, Oceanit, Enterprise Honolulu, Hoana Medical, Hawaiian Electric Industries, Inc., and a concerned individual testified in support of this bill. The Department of Business, Economic Development, and Tourism and High Technology Development Corporation supported the intent of this measure. The Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Clarifying that the Legislature does not need to give authorization to transfer tax credits on an annual basis;
- (2) Appropriating funds out of the Capital Formation Revolving Fund to be expended by HSDC to carry out the purposes of chapter 211G, Hawaii Revised Statutes;
- (3) Inserting a provision to cover constitutional provisions on guarantees; and
- (4) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1695, 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. 1695, S.D. 2, H.D. 2.

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

SCRep. 1492 Finance on S.B. No. 76

The purpose of this bill is to clarify penalties for motor vehicle size and weight violations.

The Department of Transportation and Hawaii Transportation Association supported this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2010, to encourage further discussion; and
- (2) Making technical, nonsubstantive changes for 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. 76, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 76, S.D. 1, H.D. 1.

Signed by all members of the Committee.

SCRep. 1493 Finance on S.B. No. 960

The purpose of this bill is to ensure the health and safety of visitors and residents in Hawaii by appropriating funds for tsunami preparedness efforts, including installing and maintaining new siren systems, updating evacuation maps, constructing additional shelter space, retrofitting existing public buildings, providing around-the-clock alert staff, and expanding public education campaigns.

The Department of Defense supported the intent of this bill.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2010, to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 960, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 960, H.D. 1.

Signed by all members of the Committee.

SCRep. 1494 Finance on S.B. No. 3

The purpose of this bill is to ensure that developmental disabilities residential service providers are adequately reimbursed for services by:

- (1) Expanding the scope of residential services available to individuals with developmental disabilities or mental retardation;
- (2) Establishing new categories of residences for individuals with developmental disabilities or mental retardation;
- (3) Allowing the Department of Health (DOH) to provide level of care and other additional payments to certain residential service providers; and
- (4) Appropriating \$1,500,000 for payment of residential services provided by developmental disabilities domiciliary homes and developmental disabilities apartment complexes.

The Judiciary, State Council on Developmental Disabilities, Disability and Communication Access Board, The Arc in Hawaii, The Arc of Kauai, Arc of Kona, Hawaii Disability Rights Center, Opportunities for the Retarded, Inc., and several concerned individuals testified in support of this measure. The Department of Human Services and DOH supported the intent of this bill.

Your Committee has amended this bill by:

- (1) Leaving the appropriation amount blank to encourage further discussion;
- (2) Changing the effective date to July 1, 2010; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3, 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. 3, S.D. 2, H.D. 2.

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

SCRep. 1495 Finance on S.B. No. 1235

The purpose of this bill is to support cost-effective care for Hawaii's elderly by extending the Program for All-inclusive Care for the Elderly (PACE) demonstration project at Maluhia to June 30, 2007, in anticipation of receiving federal approval to become a permanent PACE Project under Medicare.

The Department of Human Services and Hawaii Health Systems Corporation testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to June 29, 2005; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1235, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1235, H.D. 1.

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

SCRep. 1496 Finance on S.B. No. 797

The purpose of this bill is to make housekeeping amendments to the laws relating to the operations of the Housing and Community Development Corporation of Hawaii (HCDCH). Among other things, this bill adds a new general definition of "public housing project" to differentiate between low-income housing projects and affordable housing developments, and makes conforming amendments throughout chapter 201G, Hawaii Revised Statutes.

HCDCH supported this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2010; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 797, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 797, S.D. 1, H.D. 1.

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

SCRep. 1497 Finance on S.B. No. 801

The purpose of this bill is to provide support to victims of disasters by:

- (1) Appropriating funds to the Kikala-Keokea Housing Revolving Fund to provide low-interest home construction loans for Kikala-Keokea leaseholders and to fund related activities; and
- (2) Repealing the Kalapana Disaster Relief Program.

The Housing and Community Development Corporation of Hawaii supported the intent of this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 801, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 801, S.D. 2, H.D. 1.

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

SCRep. 1498 Finance on S.B. No. 1854

The purpose of this bill is to improve the State Rent Supplement Program (Program) by:

- (1) Repealing the \$160 monthly limit on payments to qualified tenants under the Program;
- (2) Repealing the provision that prohibits persons receiving public assistance, except for Federal Supplemental Security Income, from receiving state rent supplements; and
- (3) Specifying that the income of the qualified tenants under the Program shall not exceed 60 percent of the area median income.

A concerned individual supported this bill. The Housing and Community Development Corporation of Hawaii supported the intent of this measure.

Your Committee has amended this bill by changing its effective date to July 1, 2010, to promote 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. 1854, 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. 1854, S.D. 1, H.D. 2.

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

SCRep. 1499 Finance on S.B. No. 1483

The purpose of this bill is to support education in the state by authorizing the issuance of special purpose revenue bonds for Waimea Country School to finance and refinance the planning, acquisition, construction, and improvement of its educational facilities.

The Hawaii Association of Independent Schools and Waimea Country School testified in support of this bill. The Department of Budget and Finance offered comments.

Your Committee has amended this measure by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1483, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1483, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Carroll and Nishimoto.

SCRep. 1500 Finance on S.B. No. 1661

The purpose of this bill is to improve public education in the state by:

- (1) Allowing the Department of Education (DOE) to carry over unencumbered appropriations, except those that fund financing agreements entered into pursuant to chapter 37D, Hawaii Revised Statutes;
- (2) Requiring DOE to convert principal positions to twelve-month status;
- (3) Appropriating funds to:
 - (a) Subsidize information systems projects;
 - (b) Provide for additional support personnel and training;
 - (c) Provide two additional data processing systems analyst IV and three additional data processing systems analyst V positions in fiscal year 2006-2007; and
 - (d) Continue the implementation of Act 51, Session Laws of Hawaii 2004;

and
- (4) Supporting children with disabilities and their families and enabling DOE to efficiently address issues relating to providing a free, appropriate public education to children with disabilities by:
 - (a) Specifying the time period within which a hearing shall be requested by a parent or guardian of a handicapped child, or by DOE, on matters relating to the identification, evaluation, program, or placement of a handicapped child; and
 - (b) Exempting the parent or guardian of a handicapped child from time limits on requesting a hearing, when the failure to request the hearing was due to the misrepresentation or withholding of information by DOE.

DOE, Hawaii Business Roundtable, and Hawaii State Teachers Association testified in support of this bill. The Department of Human Resources Development supported this bill in part.

Your Committee has amended this bill by:

- (1) Deleting the provision allowing DOE to carry over unencumbered appropriations, except those that fund financing agreements entered into pursuant to chapter 37D, Hawaii Revised Statutes;
- (2) Changing the effective date to July 1, 2010, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1661, 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. 1661, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Carroll and Nishimoto.

SCRep. 1501 Finance on S.B. No. 1262

The purpose of this bill is take steps to protect the Waianae Coast's natural resources by:

- (1) Placing a moratorium on the issuance of state small boat harbor permits for ocean use activities until the boundaries of an ocean recreational management area from Kalaeloa Point to Kaena Point are determined and rules are adopted; and
- (2) Requiring the Department of Land and Natural Resources to prepare a baseline environmental study to assist in the drafting of ocean recreational management area rules.

Several concerned individuals testified in support of this bill. Life of the Land supported the intent of this measure. The Department of Land and Natural Resources opposed this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2010, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1262, 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. 1262, S.D. 1, H.D. 2.

Signed by all members of the Committee.

SCRep. 1502 Finance on S.B. No. 1427

The purpose of this bill is to encourage the use of energy-efficient vehicles and save state funds by requiring state agencies to procure increasing percentages of alternative fuel vehicles.

The Rocky Mountain Institute testified in support of this bill. The Department of Transportation and Department of Accounting and General Services supported the intent of this measure. The State Procurement Office provided comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2010, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1427, 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. 1427, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Meyer.

SCRep. 1503 Finance on S.B. No. 1453

The purpose of this bill is to impose the public service company tax on private sewer companies or facilities.

The Department of Taxation, several members of the Maui County Council, and Hawaii State Association of Counties testified in support of this bill. The Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2010, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1453, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1453, S.D. 2, H.D. 1.

Signed by all members of the Committee.

SCRep. 1504 Finance on S.B. No. 1554

The purpose of this bill is to support the counties in addressing the problem of invasive species by permanently establishing the Environmental Workforce Program (Program).

A member of the Maui County Council, Coordinating Group on Alien Pest Species, Invasive Species Committees, Big Island Farm Bureau, The Nature Conservancy of Hawaii, Hawaii Pest Control Association, Hawaii Association of REALTORS, and Kihei Akahi supported this measure. The Department of Land and Natural Resources, Department of Agriculture, and several concerned individuals supported the intent of this bill.

Your Committee believes that the private structural pest control industry has much to offer in the way of expertise and insight into the invasive species problem. Accordingly, the Program is urged to work with the industry in protecting Hawaii's buildings and ecosystem.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2010, to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1554, 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. 1554, S.D. 1, H.D. 2.

Signed by all members of the Committee.

SCRep. 1505 Finance on S.B. No. 1267

The purpose of this bill is to gain knowledge and understanding of shark activity through the collection and interpretation of data about shark movements and habits of migration by appropriating funds for the Department of Land and Natural Resources (DLNR), in conjunction with the Hawaii Institute of Marine Biology, to hire a contractor to tag and monitor sharks along the Leeward Coast of Oahu from Pearl Harbor to Kaena Point.

Concerned individuals testified in support of this bill. DLNR and Hawaiian Human Society submitted comments.

Your Committee has amended this bill by changing the effective date to July 1, 2010, to encourage 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. 1267, 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. 1267, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 1506 Finance on S.B. No. 1268

The purpose of this bill is to improve the administration of the Agribusiness Development Corporation (ADC) and protect agricultural lands and activities by:

- (1) Authorizing ADC to purchase, accept, maintain, and enforce permanent conservation easements in accordance with the federal Farm and Ranch Lands Protection Program of the Natural Resources Conservation Service;
- (2) Allowing ADC, when leasing ADC-controlled agricultural land, to contract with certain financial institutions to provide lease management services;
- (3) Requiring ADC to obtain agricultural lands in Waialua from the Galbraith Estate, and authorizing ADC to issue revenue bonds to purchase those lands; and
- (4) Requiring agricultural leases of at least 55 years for lands in central Oahu acquired under this measure.

The Hawaii Farm Bureau, Hawaii Agriculture Research Center, ILWU Local 142, and a concerned individual testified in support of this bill. The Agribusiness Development Corporation supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2010, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1268, 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. 1268, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 1507 Judiciary on S.B. No. 702

The purpose of this bill is to update, consistent with changes to federal antitrust law, remedies available under Hawaii's antitrust laws governing mergers and acquisitions by, among other things:

- (1) Making antitrust laws governing mergers and acquisitions applicable to all business entities;
- (2) Allowing private plaintiffs to seek injunctive relief to prevent threatened or incipient damage; and
- (3) Giving the court discretion to award attorney's fees to the prevailing party.

The Attorney General supported the intent of this bill.

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. 702, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Kanoho.

SCRep. 1508 Judiciary on S.B. No. 754

The purpose of this bill is to streamline and improve the administration and enforcement of the insurance laws by conforming them to federal laws and national standards. Specifically, this bill:

- (1) Requires the Insurance Commissioner (Commissioner) to conduct an examination of each domestic insurer at least once every five years;
- (2) Authorizes the Commissioner to order, upon completion of a one-year suspension period, additional one-year extensions of the suspension or revocation of an insurer's certificate of authority, provided there is a basis for the action;
- (3) Provides for electronic filing and impact analysis of policy revisions that alter coverage;
- (4) Clarifies the extent of a liquidator's authority to hold hearings to determine whether any assets of the insurer have been concealed, misappropriated, or improperly transferred from the insurer;
- (5) Streamlines a liquidator's recovery of unpaid premiums by authorizing recovery of unpaid collected premiums owed to the insolvent insurer, and establishing original jurisdiction in the liquidation court to determine premium collection cases; and
- (6) Conforms state law more fully with the provisions of the Interstate Insurance Product Regulation Compact.

The Department of Commerce and Consumer Affairs supported this bill. The American Council of Life Insurers submitted comments.

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. 754, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Kanoho.

SCRep. 1509 Judiciary on S.B. No. 768

The purpose of this bill is to mandate proper safety procedures to protect competitors participating in contests involving no rules combat, extreme ultimate fighting, or other similar competitions that are held in the state.

The Department of Commerce and Consumer Affairs supported this bill.

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. 768, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Kanoho.

SCRep. 1510 Judiciary on S.B. No. 781

The purpose of this bill is to facilitate enforcement of quarantine by clarifying that the Department of Health may require law enforcement personnel to aid and assist in the quarantine of individuals who are infected or suspected of being infected with diseases dangerous to the public health.

The Department of Public Safety supported this bill.

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. 781 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Kanoho.

SCRep. 1511 Judiciary on S.B. No. 74

The purpose of this bill is to address Hawaii's current shortage of commercial drivers by allowing drivers who are 18 years-of-age or older to qualify for a commercial drivers' license to transport intrastate commerce.

The Hawaii Transportation Association testified in support of this bill. The Department of Transportation testified in opposition to this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 74, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Caldwell and Kanoho.
(Representative Thielen voted no.)

SCRep. 1512 Finance on S.B. No. 1117

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to assist Hawaiian Electric Company, Inc., Maui Electric Company, Limited, and Hawaii Electric Light Company, Inc., with financing capital improvement projects.

The Department of Commerce and Consumer Affairs Division of Consumer Advocacy, Hawaiian Electric Company, Inc., Maui Electric Company, Limited, and Hawaii Electric Light Company, Inc., 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. 1117, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Meyer.

SCRep. 1513 Finance on S.B. No. 1362

The purpose of this bill is to authorize the counties to take custody and dispose of abandoned and derelict vehicles on any public highway, public property, or on private roads pending dedication to a county.

The Housing and Community Development Corporation of Hawaii testified in support of this bill. The Windward Ahupua'a Alliance and Gentry Homes, Ltd., provided 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. 1362, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Meyer.

SCRep. 1514 Finance on S.B. No. 1451

The purpose of this bill is to improve the water quality at Lake Wilson by appropriating funds for a two-phased wetlands design for the Lake Wilson pilot demonstration project (Project) by the University of Hawaii's Center for Conservation Research and Training (Center). Specifically, this bill requires the Center:

- (1) In phase 1, to prepare a comprehensive watershed management plan to develop the best strategies to manage water quality problems in Lake Wilson; and
- (2) In phase 2, to identify and secure federal and other funding and coordinate implementation of the Project.

The Center and a number of concerned individuals testified in support of this bill. ILWU Local 142 supported the intent of this measure. The Department of Health opposed the funding mechanism in 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. 1451, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1515 Finance on S.B. No. 1461

The purpose of this bill is to protect natural resources by appropriating funds to develop and implement a pilot watershed assessment and action plan at Kaiaka Bay on Oahu.

The College of Tropical Agriculture and Human Resources of the University of Hawaii supported this bill. The Department of Health supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1461, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1516 Finance on S.B. No. 1473

The purpose of this bill is to ensure the health, safety, and well-being of communities surrounding the Waimano ridge area on Oahu by:

- (1) Prohibiting any state or county agency, commission, or department from granting, approving, or issuing any lease or permit that authorizes new or expanded use, or further development, of existing leased lands or facilities on state-owned land in the Waimano ridge area until a master plan is developed, communicated to area residents, and the public health, well-being, and safety is assured;
- (2) Establishing a process, requiring public input, for the Department of Health (DOH) to draft the master plan; and
- (3) Requiring DOH to prepare and disseminate an annual report describing the activities on Waimano ridge, including certain details on the tests and programs being conducted there as well as details on public informational meetings conducted.

The Pearl City Community Association, Pearl City Neighborhood Board No. 21, and a concerned individual supported this bill. The Attorney General and DOH opposed this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1473, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.
(Representatives Fox and Moses voted no.)

SCRep. 1517 Finance on S.B. No. 1732

The purpose of this bill is to improve public response to flood warnings by appropriating funds, to be matched by the federal government, for the purchase and installation of stream gauges and to operate and maintain a flood warning system for Lake Wilson.

The Department of Land and Natural Resources 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. 1732, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1518 Finance on S.B. No. 1650

The purpose of this bill is to assist members of the Hawaii National Guard who are required to fly to their duty stations to perform their official duties by reimbursing such members for the actual air transportation costs incurred, provided that the members are not offered any other military travel benefit.

The Chamber of Commerce of Hawaii supported this bill. The Department of Defense 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. 1650, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1519 Finance on S.B. No. 1065

The purpose of this bill is to revitalize Hawaii's agricultural industry by appropriating funds for, among other things:

- (1) The continued development of high-value agricultural products;
- (2) A breeding program to provide new agricultural products;
- (3) Assessment of local and export markets;
- (4) Development of industry assessments;
- (5) Disease prevention programs; and
- (6) Organic agriculture programs within the University of Hawaii (UH), such as the Organic Agriculture Center at Leeward Community College;

provided that the funds appropriated are added to the base budget of UH.

The Department of Agriculture, the Board of Advisors of the UH College of Tropical Agriculture and Human Resources, Hawaii Agriculture Research Center, Big Island Farm Bureau, Hawaii Crop Improvement Association, Pineapple Growers Association of Hawaii, Hawaiian Commercial & Sugar Company, Aloun Farms, and Big Island Candies, Inc., supported this bill. The UH College of Tropical Agriculture and Human Resources supported the intent of this measure. Numerous concerned individuals opposed this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1065, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1520 Finance on S.B. No. 1132

The purpose of this bill is to complete the recodification of the condominium property regimes law begun in 2004 by Act 164, Session Laws of Hawaii 2004, by adding four new parts to that Act that govern the development and sale of condominiums.

The Real Estate Commission, Community Associations Institute, and a concerned individual supported this bill. The Hawaii Bankers 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. 1132, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1521 Finance on S.B. No. 1802

The purpose of this bill is to improve the captive insurance law by removing unnecessary regulation and providing greater clarity and direction by:

- (1) Reflecting the law's broader application to legal entities by replacing references to "companies" with references to "entities" in the definitions and related sections of the captive insurance law;
- (2) Providing a cross reference to requirements for service of process upon the Insurance Commissioner (Commissioner) as an agent for a captive insurer;
- (3) Repealing the cumbersome and unnecessary prohibition against a risk retention captive stockholder's ownership of more than ten percent of outstanding stock; and
- (4) Giving the Commissioner the flexibility to conduct an examination of a captive insurance company once every five years, rather than once every three years, provided that the captive insurance entity has already undergone a triennial examination.

The Department of Commerce and Consumer Affairs and several concerned individuals 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. 1802, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll and Takamine.
(Representative Meyer voted no.)

SCRep. 1522 Finance on S.B. No. 1636

The purpose of this bill is to help ensure that Hawaii's students receive a quality education by:

- (1) Establishing annual salary increases and performance step increases for teachers who meet various performance-based and other requirements; and
- (2) Creating a comprehensive teacher evaluation process.

The Hawaii State Teachers Association testified in support of this bill. The Department of Education supported the intent of this measure. The Department of Budget and Finance opposed this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1636, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll and Nishimoto.
(Representative Meyer voted no.)

SCRep. 1523 Finance on S.B. No. 1660

The purpose of this bill is to improve the quality of the State's school facilities by:

- (1) Creating the Education Design and Construction Project Assessment Fund within the Department of Education (DOE);
- (2) Broadening DOE's authority over capital improvement projects; and
- (3) Appropriating funds to initiate and carry through these projects.

DOE supported this bill. The Department of Budget and Finance opposed this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1660, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll and Nishimoto.
(Representative Fox voted no.)

SCRep. 1524 Finance on S.B. No. 840

The purpose of this bill is to clarify the state tax withholding provisions for employers with an annual withholding tax liability that exceeds \$40,000.

The Department of Taxation testified in support of this bill. The Tax Foundation of Hawaii commented on the 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. 840, S.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1525 Finance on S.B. No. 527

The purpose of this bill is to allow county agencies to purchase health and human services under chapter 103F, Hawaii Revised Statutes.

The Executive Office on Aging, State Procurement Office, and Hale 'Opio Kaua'i, Inc., testified in support of this bill. The Hawaii County Office on Aging provided 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. 527, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1526 Finance on S.B. No. 561

The purpose of this bill is to support Hawaii's caregivers by creating a temporary position for a Program Specialist in Aging within the Executive Office on Aging (EOA) to coordinate a statewide system of caregiver support services.

Kokua Council, the Hawaii Alliance for Retired Americans, AARP Hawaii, ILWU Local 142, Policy Advisory Board for Elder Affairs, and a concerned individual testified in support of this bill. EOA supported the intent of this measure with budgetary concerns.

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. 561, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1527 Finance on S.B. No. 1808

The purpose of this bill is to protect the balance between the interests of injured workers and their employers and carriers, and to protect the integrity of the separation of powers between the Legislature and the Executive Branch. To achieve this purpose, your Committee determines that the law, under the current administrative rules regarding the disability compensation division, should be maintained through codification, as well as amended through the inclusion of provisions that allow for further refinement of the law and the system.

The Hawaii State Teachers Association, Hawaii State AFL-CIO, ILWU, Local 142, Hawaii State Chiropractic Association, Brewer Consulting Services, Inc., Hilo Chiropractic Clinic, Lynn C. Fox & Associates Inc., TJK Rehabilitation Services, Spine Care Hawaii, Inc., Waimea Chiropractic, Wilcox Chiropractic, Pukalani Chiropractic Inc., Discover Chiropractic Hawaii, Klein Chiropractic Center, American Chiropractic Association, Rehabilitation Association of Hawaii, Hawaii Rehabilitation Counseling Association, International Association of Rehabilitation Professionals, Aim For Family Health with Chiropractic, and a multitude of concerned individuals supported this bill. Hawaii Government Employees Association supported the intent of this measure. The Department of Labor and Industrial Relations (DLIR), Chamber of Commerce of Hawaii, National Federation of Independent Businesses, Hawaii Insurers Council, Retail Merchants of Hawaii, Building Industry Association – Hawaii, Employers' Chamber of Commerce, Hawaii Business Roundtable, Hawaii Employers' Mutual Insurance Company, Inc., Willocks Construction Corporation, Hawaii Island Contractors' Association, Haseko Construction, Inc., ML Pacific, Inc., Coastal Windows, Inc., Kiyosaki Tractor Works Inc., Alan Shintani, Inc., Hidano Construction, Inc., Island Insurance Companies, First Insurance Company of Hawaii, Ltd., Co-Ha Builders, Inc., Robert M. Kaya Builders, Inc., Atlas Construction Services, Mouse Builders, Inc., Jas. W. Glover, Ltd. – General Contractors, CC Engineering & Construction, Inc., Access Lifts of Hawaii, Inc., and several concerned individuals opposed this bill. The Department of Human Resources Development, Attorney General, and Hawaii Chapter of Physical Therapy Association provided comments.

Your Committee notes that the intent of this measure is to protect the constitutional mandate that the Legislature draft the laws to establish policies governing the people of Hawaii. Any delegation of our legislative powers to the Executive Branch for rulemaking is administrative in nature and does not give the Executive Branch the power to make or change the laws through rulemaking. (See *1 Am. Jur. 2d, Administrative Laws, §132 (1962)*). In the area of workers' compensation, the Legislature has balanced the interest of society to return gainfully employed workers to the workforce after an injury; the interest of the injured worker; and the liability interest of the employer.

Last year, the Administration proposed an omnibus bill to reform the State's workers' compensation system, purporting to reduce the average cost of workers' compensation premiums. By seeking the enactment of the Workers' Compensation Omnibus Bill during the Regular Session of 2004, the Administration implicitly recognized that without changes in chapter 386, Hawaii Revised Statutes (HRS), the Executive Branch lacked sufficient authority to implement policy changes in the foregoing areas. Lawmakers found that the omnibus bill would disrupt the balance achieved in the existing statutes and rules and rejected the omnibus bill resoundingly. Yet, now in 2005, the Director of Labor and Industrial Relations (Director) and the Administration are seeking to amend the administrative rules to do, through rulemaking in 2005, what it could not achieve during the 2004 legislative session.

The proposed changes to the Hawaii Administrative Rules (HAR) on workers' compensation, if promulgated and adopted, would represent substantial changes in the law regarding compensability, medical care and treatment, vocational rehabilitation and other benefits, attorney's fees, and create formalized procedures for investigating and handling claims through arbitration. The proposed rule changes would constitute a substantial departure from the legislative purpose and intent as is now found in chapter 386, HRS, and the existing administrative rules. Furthermore, the Administration has given every indication that it intends to cut workers' rights and benefits retroactively by applying the proposed rules to all claims regardless of when the claims were filed.

Your Committee believes this action by DLIR, seeking to significantly change HAR §§12-10-1 et seq., 12-14-1 et seq., and 12-15-1 et seq., represents a usurpation of legislative authority. In a democratic system, the role of formulating policy is reserved exclusively for those in the Legislative Branch. (See *Sherman v. Sawyer*, 63 Haw. 55, 621 P.2d 349 (1980).) ("Legislative power" is defined as power to enact laws and to declare what law shall be.) Under the separation of powers doctrine, the authority of the executive branch is restricted to executing and applying the laws enacted by the legislature.

The Administration's changes to administrative rules, usurps legislative authority and are proposed at a time of conflicting economic indicators that contradicts the need for promulgating procedures that violate the existing law. Your Committee has learned that in October 2004, the Insurance Commissioner approved a proposed change in workers' compensation loss costs that realized a three percent decrease in loss costs, associated with medical costs, disability benefit payments, vocational and other rehabilitation costs, and survivor benefits.

Where the Administration exceeds the boundaries of executive powers and encroaches upon legislative prerogatives, the Legislature must protect its constitutional charge to create the laws, pursuant to the "separation of powers" doctrine outlined in the Constitution of the State of Hawaii. The goal of this bill is to protect the Legislature's authority in making the law and to incorporate, into the existing law, provisions to assure that the intent of the Legislature is achieved in the area of workers' compensation. To achieve these goals this bill, among other things:

- (1) Codifies into law the existing HAR that reflect the purpose and intent of the Legislature in enacting chapter 386, HRS;
- (2) Assures that the Administration does not usurp the authority of the Legislature in creating laws by limiting the Director's rulemaking authority; and
- (3) Otherwise describes requirements and procedures for vocational rehabilitation services and filing claims generally.

Specifically, the Administration's proposed changes to existing administrative rules relating to workers' compensation is in direct conflict with existing statutory law, rules, policies, and case law on workers' compensation as shown by the following examples:

- (1) The Legislature specifically rejected a broad exclusion of stress claims under workers' compensation in 1998 when it limited the exclusion to mental stress claims arising solely from disciplinary action. (Section 386-3(c), HRS. See Act 224, SLH 1998.) The legislative intent was recognized by the Intermediate Court of Appeal in *Davenport v. City and County of Honolulu*, 100 Haw. 297 (2002), and by the Hawaii Supreme Court in affirming the ICA in 100 Haw. 481. The Administration now seeks to define "disciplinary action" to include what are essentially non-disciplinary, personnel matters. See proposed change to section 12-10-1, HAR (definition of "disciplinary action" includes action where "no sanction or punishment is ultimately imposed."). The proposed change would result in injuries otherwise compensable under the law being excluded from workers' compensation coverage;
- (2) An injured worker is entitled to temporary disability benefits so long as the worker is unable to resume work. (Section 386-31(b), HRS.) The legislative intent has been recognized by the courts. See *Atchley v. Bank of Hawaii*, 80 Haw. 239 (1996). The Administration seeks a subtle but substantial change in the definition of "able to resume work" that would terminate benefits if the employee was unable to perform light duty work but the employer offered light duty. (See proposed change to section 12-10-1, HAR, definition of "able to resume work".) The commercial guidelines the Director seeks to apply in all workers' compensation cases (see proposed change to sections 12-15-30(d) and 12-15-32, HAR,) could also create presumptions on the maximum number of days an employee should miss from work for any given type of injury. The current law provides no presumption for how long an employee can remain out on disability before being "able to resume work." (See section 386-85, HRS);
- (3) The Legislature intended that all processing of claims at the Disability Compensation Division (DCD) level and proceedings before the Director be informal, not contested case hearings under chapter 91, HRS. To the degree possible, this allows claimants to represent themselves at the DCD level. For that reason, the Labor and Industrial Relations Appeals Board was given de novo review on any appeal. (Section 386-87, HRS.) The administrative rules until the present have been consistent with this intent by narrowly allowing certain discovery and other procedures that would otherwise be allowed in civil litigation. (Sections 12-10-65 to 12-10-67, HAR.) The administration seeks formal discovery and hearing procedures that impose waivers of statutory rights if the claimant fails to comply with the procedures. (See proposed changes to sections 12-10-65 and 12-10-72.1, HAR.) The Administration seeks the power to impose similar waivers of statutory rights in the area of vocational rehabilitation if a party fails to specify in detail arguments and evidence on why it is seeking reconsideration of determinations by the Vocational Rehabilitation Unit of the Administration. Such procedural requirements necessitate that the claimant seek legal representation in any dispute with the employer that requires a hearing. These proposed changes are in conflict with the legislative intent of an informal process at the DCD level;
- (4) The Legislature requires the Director to conduct a hearing on any dispute between the claimant and the employer. (Section 386-86, HRS, decisions to be rendered after a hearing.) The Administration proposes the use of summary judgment which would deny the parties a right to a hearing. (See proposed changes to section 12-10-72.1, HAR.) The proposed use of alternative dispute resolution (ADR) or mediation could also preclude a hearing, and would impose waivers of statutory rights if the claimant enters into some form of ADR or mediation. (See proposed changes to section 12-10-66, HAR);
- (5) The Legislature provided for payment of attorney fees upon review by the Director. (Section 386-94, HRS.) That review, however, was not unfettered and fees that were reasonable were to be approved. (See section 386-93(a), HRS.) The Administration proposes to impose factors that are not relevant in determining if fees are reasonable. (See proposed changes to section 12-10-69(b), HAR.) Arbitrarily limiting claimant attorney fees to 15 percent of the compensation paid would result in no payment if the claimant loses on compensability and artificially reduce legal payments in other disputed areas of a claim. In practicality, the proposed changes would result in claimants being unable to secure attorneys in disputed compensability cases;

- (6) The Legislature provided presumptions in the law to minimize challenges to benefits while providing provisions elsewhere in the statute to minimize the employer's exposure to liability. (Compare section 386-85 with sections 386-5 and 386-8, HRS.) The Legislature did not intend for any other presumptions or burdens of proof to be arbitrarily assigned to one party or the other. The party or parties who must bear the burden of proof is to be determined by law consistent with the purpose of the statute. The Administration proposes to arbitrarily assign the burden to the party requesting the hearing. (See proposed change to section 12-10-72.1, HAR.) Because the employer can withhold or deny benefits, the claimant will always be the party requesting a hearing and therefore will always hold the burden of proof at a hearing. This shifts the balance created by the Legislature between the presumptions and the limits to the employers' liability;
- (7) The Legislature provided for vocational rehabilitation services to "restore an injured worker's earning capacity as nearly as possible to that level which the worker was earning at the time of injury" and to "return the injured worker to suitable work in the active labor force as quickly as possible in a cost-effective manner." (Section 386-25, HRS.) Vocation is defined as a person's business, profession, or occupation. (Roberts' Dictionary of Industrial Relations 759 (3rd Ed.)). Occupation is a person's trade or vocation that provides the principal way an individual makes a living. (Id. at 493.) The legislative intent was not to arbitrarily exclude any option that might restore the worker's earnings in suitable work achieved in a time and cost efficient manner. The rules for years have recognized that intent. (See section 12-14-1, HAR.) The Administration proposes to arbitrarily exclude self-employment as a form of suitable work for rehabilitation, which might actually prove to be the most time and cost efficient manner of returning an injured worker to suitable work. (See proposed change to section 12-14-1, HAR.) An arbitrary exclusion of self-employment as suitable work in rehabilitation is in direct conflict with the current law that weighs all factors in considering the appropriate rehabilitation for the injured worker;
- (8) Related to vocational rehabilitation benefits, the Administration also proposes to arbitrarily limit services to 104 weeks. (See proposed change section 12-14-5(c)(7), HAR.) The legislative intent was to reduce the hardship generally on society by keeping an employee in gainful employment balanced against time and cost efficiency concerns. (Section 386-25(a), HRS.) If an employee sustains a substantial loss in earning capacity and has significant financial obligations as a result of an industrial injury, it was the legislative intent that the employee receive the services necessary to allow that employee to continue to meet those financial obligations and remain productive in society. To arbitrarily terminate services at 104 weeks even if to do so precludes achieving the legislative objective is directly in conflict with the intent of the law. Similarly, it is contrary to the legislative intent for the Administration to propose a rule to restrict any vocational rehabilitation services to looking for work that is similar in nature to work performed by the injured worker in the past since some injuries might preclude return to any form of work similar to past experiences. (See proposed change to section 12-14-4(b)(2)(F)(iii), HAR);
- (9) Given the inherent tension between the injured worker and the employer in the appropriateness of any vocational rehabilitation plan, it was the intent of the Legislature that the Director determine the appropriateness of the plan. Section 386-25(b),(h), HRS. Directly contrary to this intent is the Administration's proposal to give the employer the authority to deny a plan, which is then only subject to review by the Director for having "unreasonably withheld its approval." (See proposed change section 12-14-5(d), HAR);
- (10) The Legislature provided authority to the Director to issue guidelines on health care and services. (Section 386-26, HRS.) That authority was not without restrictions. The Director was limited to guidelines related to the frequency of treatment and for reasonable use of medical care and services that are considered necessary and appropriate under the statute. (Section 386-26, HRS.) As defined by the Merriam-Webster dictionary, a guideline is an indication or outline of policy or conduct. It is something that serves as a guide or an example. (American Heritage Dictionary of the English Language.) The Administration proposes to turn the guidelines from suggestive and informative to a presumptive guide in determining reasonableness of care. (See proposed change to section 12-15-32, HAR.) The scope of treatment would be prescribed by a commercial organization's publication and only allow rebuttal by other evidence-based national guidelines. (See proposed changes to sections 12-15-30(d) and 12-15-32, HAR.) In 1996, the Legislature deleted the requirement that the Director approve treatments (up to ten additional treatments) after the initial five treatments. (Act 260, section 3, Session Laws of Hawaii 1996.) The effect of the 1996 legislative change was more flexibility in treating the claimant. The Administration's proposal to convert to mandatory, presumptively valid commercial guidelines is contrary to the legislative intent on guidelines and the general intent to require the employer to provide all medical care, service, and supplies "as the nature of the injury requires." (Section 386-21, HRS);
- (11) Related to section 386-21, HRS, the Administration also proposed to arbitrarily limit any emergency care to the first 72 hours following the injury. (See proposed changes to sections 12-15-1 and 12-15-50, HAR.) Under the statute, the appropriateness of emergency medical treatment should be submitted to the statutory test of whether it was "reasonably related to the nature of the injury." (Section 386-21, HRS.) Arbitrarily limiting the service to the first three days following an injury is arbitrary and contrary to the legislative intent in section 386-21, HRS; and
- (12) The Legislature provided for employers to become self-insured if they satisfied certain safeguards under the law. (See section 386-121, HRS.) The Legislature finds the changes proposed by the Director (see proposed changes to section 12-10-94, HAR,) are overly restrictive and will deter otherwise solvent, adequately financed employers from qualifying for self-insurance. It is the intent of the Legislature to give employers options in how they secure compensation to their employees for workers' compensation injuries. The proposed changes restrictively limit those options.

Your Committee finds that this bill, by incorporating into chapter 386, HRS, the substantive definitions, standards, criteria, and policies in effect on January 1, 2005, under currently existing rules, policies, and case law in the relevant substantive areas, will preserve and protect the prerogative of the Legislative Branch of government and prevent the abuse of power.

While seeking to maintain the balance intended by the Legislature, the House subject committee considered the concerns raised at the public hearing with regard to the investigation of fraud. Therefore, the fraud provision was omitted in S.B. No. 1808,

S.D. 1, H.D. 1, and your Committee on Finance will address this issue in another vehicle. Your Committee also agrees with the H.D. 1, which reinstates the rulemaking authority of the Director on July 1, 2007.

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. 1808, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Chong.
(Representatives Fox, Meyer, Moses and Pine voted no.)

SCRep. 1528 Housing on H.C.R. No. 170

The purpose of this concurrent resolution is to request each county to apply tax increment financing to finance the development of infrastructure for affordable housing projects.

A concerned individual testified in support of this measure. A concerned individual provided comments.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 170 and recommends its adoption.

Signed by all members of the Committee except Representatives Green and Pine.

SCRep. 1529 Judiciary on H.C.R. No. 294

The purpose of this concurrent resolution is to honor the fundamental rights enshrined by the Bill of Rights and the sacrifices made to create and preserve those rights by proclaiming December 15 of every year as Bill of Rights Day.

The American Civil Liberties Union of Hawaii and The Life of the Land testified in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 294 and recommends its adoption.

Signed by all members of the Committee except Representative Kanoho.

SCRep. 1530 Water, Land, & Ocean Resources on H.R. No. 197

The purpose of this resolution is to request the House Committee on Water, Land, and Ocean Resources (Water, Land, & Ocean Resources Committee), together with the Department of Land and Natural Resources (DLNR), to meet with marine resource stakeholders on all islands to discuss the problem of Hawaii's depleting marine resources and the need to establish more marine managed areas throughout the state.

DLNR, The Nature Conservancy of Hawaii, Pacific Fisheries Coalition, and a concerned individual testified in support of this resolution.

Conducting statewide informational briefings on the need for marine managed areas is only a part of the solution to ensure the viability and sustainability of Hawaii's marine resources. Your Committee believes that a more expansive, inclusive, and meaningful approach to stemming the depletion of the state's unique and precious marine resources is warranted.

Your Committee has amended this resolution by:

- (1) Amending its title to read, "AUTHORIZING THE HOUSE COMMITTEE ON WATER, LAND, AND OCEAN RESOURCES, TOGETHER WITH THE DEPARTMENT OF LAND AND NATURAL RESOURCES, TO CONDUCT COMMUNITY MEETINGS THROUGHOUT THE STATE TO SEEK PUBLIC PARTICIPATION TOWARDS ENSURING THE VIABILITY OF HAWAII'S MARINE RESOURCES NOW AND FOR FUTURE GENERATIONS";
- (2) Authorizing, rather than requesting, the WLO Committee to conduct the statewide community meetings;
- (3) Recognizing that DLNR has successfully established marine managed areas throughout the state;
- (4) Clarifying that the community meetings also need to focus on adopting measures that would ensure the viability of Hawaii's ocean marine resources for present and future generations; and
- (5) Making other technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 197, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 197, H.D. 1.

Signed by all members of the Committee except Representative Meyer.

SCRep. 1531 Water, Land, & Ocean Resources on H.C.R. No. 267

The purpose of this concurrent resolution is to request the House Committee on Water, Land, and Ocean Resources (Water, Land, & Ocean Resources Committee), together with the Department of Land and Natural Resources (DLNR), to meet with marine

resource stakeholders on all islands to discuss the problem of Hawaii's depleting marine resources and the need to establish more marine managed areas throughout the state.

DLNR, The Nature Conservancy of Hawaii, Pacific Fisheries Coalition, and a concerned individual testified in support of this concurrent resolution.

Conducting statewide informational briefings on the need for marine managed areas is only a part of the solution to ensure the viability and sustainability of Hawaii's marine resources. Your Committee believes that a more expansive, inclusive, and meaningful approach to stemming the depletion of the state's unique and precious marine resources is warranted.

Your Committee has amended this concurrent resolution by:

- (1) Amending its title to read, "AUTHORIZING THE HOUSE COMMITTEE ON WATER, LAND, AND OCEAN RESOURCES AND THE SENATE COMMITTEE ON WATER, LAND, AND AGRICULTURE, TOGETHER WITH THE DEPARTMENT OF LAND AND NATURAL RESOURCES, TO CONDUCT COMMUNITY MEETINGS THROUGHOUT THE STATE TO SEEK PUBLIC PARTICIPATION TOWARDS ENSURING THE VIABILITY OF HAWAII'S MARINE RESOURCES NOW AND FOR FUTURE GENERATIONS";
- (2) Authorizing, rather than requesting, the WLO Committee and the Senate Committee on Water, Land, and Agriculture to conduct the statewide community meetings;
- (3) Recognizing that DLNR has successfully established marine managed areas throughout the state;
- (4) Clarifying that the community meetings also need to focus on adopting measures that would ensure the viability of Hawaii's ocean marine resources for present and future generations; and
- (5) Making other technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 267, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 267, H.D. 1.

Signed by all members of the Committee except Representative Meyer.

SCRep. 1532 Education on H.R. No. 23

The purpose of this resolution is to protect students and prevent bullying in the schools by urging all schools in Hawaii to implement standard of conduct policies that reduce intimidation and promote safe and peaceful school environments that encourage learning.

The Hawaii State Teachers Association and Hawaii Association of Independent Schools testified in support of this resolution. The Department of Education supported the intent of this measure.

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. 23 and recommends its adoption.

Signed by all members of the Committee except Representatives Arakaki, Cabanilla, Chang, Kahikina and Waters.

SCRep. 1533 Education on H.C.R. No. 20

The purpose of this concurrent resolution is to protect students and prevent bullying in the schools by urging all schools in Hawaii to implement standard of conduct policies that reduce intimidation and promote safe and peaceful school environments that encourage learning.

The Hawaii State Teachers Association and Hawaii Association of Independent Schools testified in support of this concurrent resolution. The Department of Education supported the intent of this measure.

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. 20 and recommends its adoption.

Signed by all members of the Committee except Representatives Arakaki, Cabanilla, Chang, Kahikina and Waters.

SCRep. 1534 Education on H.R. No. 208

The purpose of this resolution is to promote student achievement and civic responsibility by requesting the Board of Education (BOE) to create policies that will allow the Department of Education to grant school credit to the student member of the BOE.

BOE supported the intent of this resolution.

Your Committee finds that despite increasing youth participation in the areas of volunteerism and community service, there appears to be a decrease in youth awareness of social issues, which can be attributed to fewer opportunities for political discussions.

Encouraging civic responsibility in youth is paramount to fostering an appreciation for civic awareness and involvement that will continue into adulthood. Accordingly, your Committee finds that granting school credit to serve on a statewide board is one avenue that will potentially raise societal consciousness in our youth.

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. 208 and recommends its adoption.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Kahikina and Waters.

SCRep. 1535 Education on H.C.R. No. 282

The purpose of this concurrent resolution is to promote student achievement and civic responsibility by requesting the Board of Education (BOE) to create policies that will allow the Department of Education to grant school credit to the student member of the BOE.

BOE supported the intent of this concurrent resolution.

Your Committee finds that despite increasing youth participation in the areas of volunteerism and community service, there appears to be a decrease in youth awareness of social issues, which can be attributed to fewer opportunities for political discussions.

Encouraging civic responsibility in youth is paramount to fostering an appreciation for civic awareness and involvement that will continue into adulthood. Accordingly, your Committee finds that granting school credit to serve on a statewide board is one avenue that will potentially raise societal consciousness in our youth.

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. 282 and recommends its adoption.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Kahikina and Waters.

SCRep. 1536 Energy & Environmental Protection on S.B. No. 680

The purpose of this measure is to extend the applicability of solid waste disposal prohibition laws, including the felony disposal laws, to volumes equal to or greater than one cubic yard.

Your Committee received public testimony on a proposed House draft of this measure which would require the Department of Health (DOH) to develop procedures for the exchange of information between deposit beverage container distributors and certified redemption centers, including universal product code (UPC) information.

Reynolds Recycling, Envipco, Rolloffs Hawaii, and the Hawaii Chapter of the Sierra Club testified in support of the proposed draft. Anheuser Busch Companies, Coca Cola Bottling Company of Hawaii, and the Pepsi Bottling Group submitted testimony in opposition to the proposed draft. The state Attorney General testified in opposition to the proposed draft, and in support of the original language of this measure. DOH supported the intent of the proposed draft.

Your Committee finds that redemption centers require UPC information to process redemptions of empty containers at reverse vending machines. Currently, there is no process for redemption centers to easily access this information.

To address the foregoing concern, your Committee has amended this measure by deleting its substance and replacing it with language that:

- (1) Requires DOH to develop procedures to facilitate the exchange of information between deposit beverage container manufacturers, distributors, and retailers and certified redemption centers, including but not limited to UPC information for reverse vending machine purposes;
- (2) Requires the procedures developed by DOH to allow for a reasonable time period between the introduction of a new deposit beverage product and the deadline for submitting UPC information to certified redemption centers operating reverse vending machines;
- (3) Requires certified redemption centers to request payment from DOH no less than two times per month; and
- (4) Inserts a purpose clause with legislative findings regarding the need for UPC information to be provided to certified redemption centers.

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

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 680, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 680, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Carroll, Waters and Pine.

SCRep. 1537 Consumer Protection & Commerce on S.B. No. 120

The purpose of this bill is to change the requirements for obtaining a certified public accountant (CPA) license and permit to practice. Specifically, this bill:

- (1) Changes licensing requirements by:
 - (A) Narrowing down the range of private or governmental accounting or auditing work that may be substituted for the public accountancy experience needed for licensure, to experience deemed equivalent to public accountancy "attestation, tax preparation, or tax consulting work";
 - (B) Defining "attestation" and requiring the Board of Accountancy to incorporate by rule, the statements on standards referenced in the definition; and
 - (C) Extending to all licensed CPAs, the continuing professional education (CPE) requirement currently applicable to CPAs who hold a permit, by requiring licensees to complete four hours of ethics CPE; and
- (2) Changes permit requirements by requiring two years of public accountancy experience for a permit to practice as a CPA, and exempting persons holding licenses prior to December 31, 2005.

The Hawaii Association of Public Accountants, and many concerned citizens submitted testimony in support of this bill. The Board of Public Accountancy, Department of Taxation, Hawaii Society of Certified Public Accountants, and several concerned citizens submitted testimony in opposition to this bill. The State Auditor voiced concerns.

Your Committee heard concerns that government accounting experience is vastly different from and cannot substitute for public accounting experience, and that requiring public accounting experience for CPA licenses and permits is necessary if the public is to be protected.

However, your Committee also heard testimony that the overwhelming majority of United States jurisdictions recognize private and government accounting experience for licensure, and that there is no indication that CPAs without public accounting experience are incompetent so that the law must be amended. There were concerns that the change in licensing and permitting requirements would deny accountants exposure to a larger range of work, and adversely affect government recruiting of accounting graduates.

After further consideration, and in recognition of the continuing debate on these issues, your Committee has amended this measure by changing the effective date to July 1, 2009.

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 120, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 120, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Kanohe, Morita, Saiki and Stonebraker.

SCRep. 1538 Consumer Protection & Commerce/Judiciary on S.B. No. 1170

The purpose of this bill is to establish a state anti-"phishing" task force to review other jurisdictions' activities on curtailing electronic commerce-related criminal activities. Specifically, this bill requires the task force to:

- (1) Examine the policies, procedures, and operations of state agencies charged with the responsibility of developing policies to prevent electronic commerce-based crimes, monitoring electronic commerce-based criminal activity, and enforcing electronic commerce-based criminal sanctions;
- (2) Review other jurisdictions' activities, policies, directives, and laws related to preventing electronic commerce-based crimes and derive best practices models therefrom;
- (3) Explore other options available to the task force to deter electronic commerce-based crimes from occurring in Hawaii;
- (4) Establish findings and develop recommendations on how best to deter electronic commerce-based crimes from occurring in the Hawaii; and
- (5) Submit its findings and recommendations, including any proposed legislation, no later than 20 days prior to the convening of the Regular Session of 2006.

The Honolulu Police Department (HPD), First Hawaiian Bank, and Hawaii Financial Services Association testified in support of this bill.

Your Committees find that "phishing" is a serious problem which costs consumers and businesses billions of dollars every year. "Phishing" is a form of Internet fraud in which Internet "scammers" under false pretenses cause a consumer to divulge personal and confidential information such as passwords and credit card, social security, and bank account numbers. Your Committees find that, by convening a task force, this measure provides a first step in addressing the problem of "phishing" and restoring consumer confidence in Internet-related commerce.

As requested by HPD, your Committees have amended this measure by adding to the anti-phishing task force:

- (1) A member of the HPD's criminal investigation division; and
- (2) A member of the Honolulu Field Office's United States Secret Service electronic crimes unit.

Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1170, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1170, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1539 Consumer Protection & Commerce on S.B. No. 1140

The purpose of this bill is to level the playing field between financial service loan companies (FSLCs) and other types of lenders while protecting consumers. Specifically, this bill amends the FSLC law by:

- (1) Allowing a returned check fee of up to \$20, provided it is not added to the borrower's loan balance or deducted from a loan payment, and failure to pay the fee is not a default on a loan;
- (2) Limiting fees on consumer loans secured by real property to one percent of the loan principal;
- (3) Expanding permissible consumer loan-related fees to include fees for real property tax services and wire transfers; and
- (4) Specifically allowing consumer loan-related fees and charges that are paid to FSLC affiliates and subsidiaries so long as no portion is rebated, refunded, or paid to the FSLC.

Testimony in support of this measure was received from the Commissioner of Financial Institutions of the Department of Commerce and Consumer Affairs, Hawaii Financial Services Association, and the Hawaii Bankers Association.

Your Committee finds that current law limits FSLC fees in connection with a loan transaction to those specifically authorized by statute or rule. This bill would retain this restriction while giving FSLCs authority to charge the same fees that other lenders are authorized to charge, and allow FSLCs to compete on a more even playing field with other lenders in Hawaii's competitive mortgage and non-mortgage loan markets.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1140, 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 Kanoho, Morita, Saiki and Stonebraker.

SCRep. 1540 Judiciary on S.B. No. 1100

The purpose of this bill is to reduce the illegal manufacturing of crystal methamphetamine by:

- (1) Prohibiting a pharmacy or retailer from dispensing, selling, or distributing without a prescription more than three packages or nine grams of pseudoephedrine products;
- (2) Requiring pseudoephedrine products to be dispensed, sold, or distributed:
 - (A) By a registered pharmacist, or a clerk or technician acting under a registered pharmacist;
 - (B) By a clerk from an area not accessible by customers or the general public; or
 - (C) From a locked display case;
- (3) Requiring purchasers of pseudoephedrine products to:
 - (A) Provide proper identification; and
 - (B) Sign a log, receipt, or other approved mechanism of the transaction;
- (4) Prohibiting the purchase, receipt, or other acquisition of more than nine grams of pseudoephedrine products within any 30-day period, except for products dispensed by a valid prescription;
- (5) Exempting from the sales restriction of pseudoephedrine products:
 - (A) Products in liquid, liquid capsule, or gel capsule form containing other active ingredients in addition to pseudoephedrine; and
 - (B) Other pseudoephedrine products that are not used to illegally manufacture controlled substances, as determined by the administrator of the Narcotics Enforcement Division (NED) of the Department of Public Safety (DPS);
- (6) Placing pseudoephedrine on the list of Schedule V controlled substances; and
- (7) Repealing the exemption of pseudoephedrine and norpseudoephedrine drugs lawfully sold over the counter from the purchaser identification, reporting, and permitting requirements of sections 329-62, 329-63, and 329-67, Hawaii Revised Statutes (HRS), relating to transactions involving regulated chemicals.

DPS, Department of the Prosecuting Attorney of the City and County of Honolulu, and a concerned individual testified in support of this bill. The Office of the Lieutenant Governor supported this measure with an amendment. The Hawaii Food Industry Association, Legislative Information Services of Hawaii, and Community Alliance on Prisons opposed this bill. Longs Drugs offered comments.

Your Committee has amended this bill by:

- (1) Limiting the dispensing, sale, or distribution of pseudoephedrine products without a prescription to no more than three packages per transaction;
- (2) Removing the provisions:
 - (A) Requiring pseudoephedrine products to be dispensed, sold, or distributed:
 - (i) By a registered pharmacist, or a clerk or technician acting under a registered pharmacist;
 - (ii) By a clerk from an area not accessible by customers or the general public; or
 - (iii) From a locked display case;
 - (B) Requiring purchasers of pseudoephedrine products to:
 - (i) Provide proper identification; and
 - (ii) Sign a log, receipt, or other approved mechanism of the transaction;
 - (C) Prohibiting the purchase, receipt, or other acquisition of more than nine grams of pseudoephedrine products within any 30-day period, except for products dispensed by a valid prescription;
 - (D) Designating pseudoephedrine as a Schedule V controlled substance; and
 - (E) Repealing the exemption of pseudoephedrine and norpseudoephedrine drugs lawfully sold over the counter from the purchaser identification, reporting, and permitting requirements of sections 329-62, 329-63, and 329-67, HRS, relating to transactions involving regulated chemicals;
- (3) Requiring any wholesaler to report to the administrator of NED all sales of pseudoephedrine products made to any retailer; and
- (4) Specifying the minimum information wholesalers must provide for all sales of pseudoephedrine products to any retailer.

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. 1100, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1100, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Kanoho.

SCRep. 1541 Judiciary on S.B. No. 1285

The purpose of this bill is to maintain the cultural right of native Hawaiian healers to practice their discipline by:

- (1) Protecting the members of a kupuna council from the threat of being sued in relation to their selection, convening, or certification process;
- (2) Expanding the practice to include all traditional Hawaiian healers, rather than only traditional native Hawaiian healers; and
- (3) Requiring any kupuna council to be separate and independent from the State.

The Traditional Native Hawaiian Healing Center, Waianae Coast Comprehensive Health Center, and a concerned individual supported this bill. Papa Ola Lokahi submitted comments.

Your Committee has amended this bill by:

- (1) Deleting the definition of "traditional native Hawaiian healer" in section 2 of Act 162, Session Laws of Hawaii 1998;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes for clarity, 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. 1285, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1285, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Kanoho.

SCRep. 1542 Judiciary/Consumer Protection & Commerce on S.B. No. 1336

The purpose of this bill is to allow a co-owner or co-lessor of a leased fee interest in land to sell the interest to another co-owner or co-lessor.

The Board of Trustees of the Queen Liliuokalani Trust, Saint Francis Healthcare System, Small Landowners Association of Hawaii, Small Landowners of Oahu, and several concerned individuals supported this bill. The Hawaii Council of Associations of Apartment Owners, Hawaii Independent Condominium & Cooperative Owners, and Monarch Properties, Inc., opposed this bill.

Your Committees have amended this bill by:

- (1) Including a suggestion proposed by the Queen Liliuokalani Trust that limits the application of the proposed amendment to chapter 514C-8, Hawaii Revised Statutes, to co-owners or co-lessors that are tax-exempt entities under section 501(c)(3) of the Internal Revenue Code;
- (2) Making this bill effective upon its approval; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Judiciary and Consumer Protection & Commerce that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1336, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1336, 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, Saiki, Schatz and Stonebraker.

SCRep. 1543 Finance on S.B. No. 1713

The purpose of this bill is to protect the residents of Kalaupapa Settlement, operated by the Department of Health (DOH), by declaring the Legislature's intent to ensure that residents of Kalaupapa are treated with dignity, respect, courtesy, and sensitivity, and that DOH uphold protections extended to the patients of Kalaupapa.

The Office of Hawaiian Affairs and a concerned individual testified in support of this bill. DOH supported the intent of this measure, but stated that legislation may not be necessary.

Your Committee emphasizes that this measure is not intended to create any new entitlements to the patients of Kalaupapa, and is intended to declare the Legislature's intent to enforce the pledge made by the State to care for the remaining patients in a respectful and dignified manner.

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. 1713, 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 Chong, Meyer and Pine.

SCRep. 1544 Finance on S.B. No. 27

The purpose of this bill is to continue to protect the health and welfare of Hawaii's children by appropriating funds for the Kapiolani Child At-Risk Evaluation (CARE) Program.

A member of the City Council of the City and County of Honolulu, Hawaii Foster Parent Association, Kapiolani CARE Program, and several concerned individuals testified in support of this bill. The Department of Human Resources supported the intent of this measure.

Your Committee has amended this measure by:

- (1) Changing the appropriations to \$1 to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 27, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 27, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Chong.

SCRep. 1545 Finance on S.B. No. 97

The purpose of this bill is to adjust the current standard deduction amounts for state income tax returns with unspecified amounts.

The Tax Foundation of Hawaii testified in support of this bill. The Department of Taxation supported the intent of this measure.

Your Committee has amended this bill by changing the effective date to July 1, 2010, to encourage 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. 97, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 97, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Chong, Meyer and Pine.

SCRep. 1546 Finance on S.B. No. 460

The purpose of this bill is to promote fairness in taxation administration by allowing taxpayers to:

- (1) Appeal a denial in whole or in part by the Department of Taxation (DOTAX) of a tax refund claim by filing an appeal with a Board of Review or the Tax Appeal Court within 30 days after notice of the denial of the claim; and
- (2) File an appeal with a Board of Review or the Tax Appeal Court for review of the merits of a tax refund claim within 180 days after the claim was filed, if DOTAX fails to act on the claim.

The Chamber of Commerce of Hawaii, Hawaii State Bar Association Tax Section, Hawaii Society of Certified Public Accountants Tax Committee, National Federation of Independent Business - Hawaii, PriceWaterhouseCoopers LLP, Chun Kerr Dodd Beaman & Wong, and Horwath Kam & Company supported this bill. DOTAX opposed this measure. The Tax Foundation of Hawaii provided comments.

Your Committee recognizes the necessity for taxpayers to provide adequate information to support any refund claim and, therefore, urges DOTAX to develop applicable rules.

Additionally, your Committee notes that this measure is not intended to interfere with the current allowable time periods during which DOTAX is allowed to issue assessments.

After careful consideration, your Committee has amended this bill by clarifying that any refunds or credits appealed may only be awarded if those refunds or credits were claimed during the applicable statutory period of limitation.

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. 460, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 460, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Carroll.

SCRep. 1547 Finance on S.B. No. 817

The purpose of this bill is to establish standards and procedures regarding the assignment of unemployment insurance contribution rates and the transfer of unemployment insurance experience when a change in employing unit occurs.

The Department of Labor and Industrial Relations testified in support of this bill.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2010; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 817, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 817, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Carroll.

SCRep. 1548 Finance on S.B. No. 1740

The purpose of this bill is to provide income tax relief for low- and middle-income families by:

- (1) Eliminating the two lowest income tax brackets; and
- (2) Adding a new tax bracket before the top rate applies.

Your Committee finds that under this bill:

- (1) For surviving spouses and those filing joint returns:
 - (A) Their taxable income begins at \$8,000 rather than \$4,000;
 - (B) A new tax bracket (over \$80,000 but not over \$100,000) is added; and
 - (C) The new top tax bracket is over \$100,000 rather than over \$80,000;
- and

- (2) For heads of households:
- (A) Their taxable income begins at \$6,000 rather than at \$3,000;
 - (B) A new tax bracket (over \$60,000 but not over \$80,000) is added; and
 - (C) The new top tax bracket is over \$80,000 rather than over \$60,000.

The Department of Taxation supported the intent of this bill. The Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2010, to encourage continued discussion; and
- (2) Making technical, nonsubstantive amendments for 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. 1740, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1740, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Chong, Meyer and Pine.

SCRep. 1549 Finance on S.B. No. 1781

The purpose of this bill is to lower the rate of recidivism among the former inmate population by appropriating funds for community-based reintegration programs that assist former inmates in successfully transitioning back into the community.

The ACLU of Hawaii, Community Alliance on Prisons, A Woman's Voice International, and several concerned individuals testified in support of this bill. The Hawaii Paroling Authority supported the intent of this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1781, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1781, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Chong.

SCRep. 1550 Finance on S.B. No. 834

The purpose of this bill is to conform state income tax law under chapter 235, Hawaii Revised Statutes (HRS), to amendments made to the federal Internal Revenue Code (IRC) for all taxable years beginning after December 31, 2004. Specifically, this bill, among other things:

- (1) Provides that the provisions of federal Public Law 109-001 accelerating the income tax deductions for charitable cash contributions made to victims of the Indian Ocean tsunami apply for the calendar years ending December 31, 2004, and December 31, 2005;
- (2) Removes from application to chapter 235, HRS, the following provisions of the IRC:
 - (A) Subchapter A, sections 2(a), 2(b), and 2(c), relating to the definitions of "surviving spouse" and "head of household";
 - (B) Section 179B, relating to expensing of capital costs incurred in complying with Environmental Protection Agency sulphur regulations;
 - (C) Section 181, relating to special rules for certain film and television productions; and
 - (D) Section 199, relating to the U.S. production activities deduction;
- (3) Extends for two years the exceptions to the operation of section 179, IRC (relating to the election to expense certain depreciable business assets) which increase:
 - (A) The maximum deduction to \$100,000; and
 - (B) The qualifying investment amount to \$400,000;

and
- (4) Applies to chapter 235, HRS, the provisions of sections 6103(i)(3)(C) and 6103(i)(7) of the IRC, authorizing disclosures of tax information to the United States Justice Department or appropriate federal or state law enforcement agencies for purposes of investigating terrorist incidents, threats, or activities.

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

Your Committee has amended this bill by:

- (1) Clarifying transactions relating to section 114 of the IRC as specified in the transitional rule for 2005 and 2006 as specified in the American Jobs Creation Act of 2004 section 101(d) and transactions that have occurred pursuant to a binding contract as specified in the American Jobs Creation Act of 2004 section 101(f) are inoperative;
- (2) Adding subchapter R, which relates to the election to determine corporate tax on certain international shipping activities using per ton rate, to the provisions of the IRC which are not operative for the state tax code;
- (3) Making inoperative the provision in section 168(k) relating to special allowance for certain property acquired after September 10, 2001, and before January 1, 2005, including the extension of the qualifying aircraft placed in service before January 1, 2006; and
- (4) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 834, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 834, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1551 Finance on S.B. No. 1410

The purpose of this bill as received is to establish a refundable state earned income tax credit (EITC).

Your Committee received testimony on a proposed H.D. 1 that was made available to the public prior to the hearing. The purpose of the proposed H.D. 1 is also to establish a refundable state EITC, and requires the refundable portion of the EITC to be reimbursed by federal Temporary Assistance for Needy Families (TANF) or state TANF Maintenance of Effort (MOE) funds.

The Hawaii State AFL-CIO, Aloha United Way, Good Beginnings Alliance, Hawaii HomeOwnership Center, Hawaiian Homestead Technology, Inc., Family Independence Initiative – Hawaii, and several concerned individuals testified in support of this bill as received.

The Department of Human Services, League of Women Voters of Hawaii, and a concerned individual testified in support of the proposed H.D. 1. The Department of Taxation opposed the proposed H.D. 1. The Attorney General and Tax Foundation of Hawaii provided comments with respect to the proposed H.D. 1.

The Hawaii Alliance for Community Based Economic Development and 3Point supported the bill as received, but took no position on the proposed H.D. 1. A concerned individual supported the bill as received, but opposed the proposed H.D. 1. The National Association of Social Workers supported the intent of the bill as received, but opposed the proposed H.D. 1.

Your Committee recognizes that there is strong support for the EITC, and notes that this measure and its use of TANF and MOE moneys to fund portions of the EITC is a work in progress.

Accordingly, your Committee has amended this bill as received by replacing it with the contents of the proposed H.D. 1, and:

- (1) Changing the effective date to July 1, 2010, to encourage further discussion; and
- (2) Making further technical, nonsubstantive amendments for 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. 1410, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1410, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Carroll.

SCRep. 1552 Finance on S.B. No. 1685

The purpose of this bill is to allow taxpayer information to be shared with the counties.

The County of Maui testified in support of this bill. The Department of Taxation (DOTAX) and Tax Foundation of Hawaii provided comments.

Your Committee notes that DOTAX expressed concerns about disclosure of information to third parties and protection of confidentiality with regard to taxpayer information.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2010, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1685, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1685, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Carroll.

SCRep. 1553 Finance on S.B. No. 1352

The purpose of this measure is to permit a state or county employee to take seven days of paid leave per year to serve as a bone marrow donor and 30 days of paid leave to serve as an organ donor.

The Department of Human Resources Development supported the intent of this measure. The Department of the Attorney General, Department of Human Resources of the City and County of Honolulu, and Hawaii Government Employees Association provided comments.

Your Committee has amended this measure by creating a Part II that adds the language from House Bill No. 266, House Draft 1. As amended, the purpose of this bill is also to establish clear distinctions between mandatory, excluded, and permissive subjects of collective bargaining. Among other things, Part II of this bill:

- (1) Eliminates statutory language that prohibits an agreement between an employer and an exclusive employee representative that was inconsistent with the merit principle or the principle of equal pay;
- (2) Eliminates the prohibition of an agreement between an employer and an exclusive employee representative that would interfere with various rights and obligations of a public employer; and
- (3) Provides that an employer may negotiate over permissive subjects of collective bargaining, including:
 - (A) The merit principle;
 - (B) Principle of equal pay for equal work;
 - (C) Qualifications, standards for work, and the nature and content of examinations;
 - (D) Standards to maintain efficiency and productivity;
 - (E) The method and means by which government operations are to be conducted; and
 - (F) Actions necessary to carry out the mission of the employer in cases of emergencies.

Your Committee has also changed the effective date to July 1, 2010, to encourage 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. 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 placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Tsuji and Fox.
(Representatives Meyer and Moses voted no.)

SCRep. 1554 Finance on S.B. No. 1888

The purpose of this bill is to provide for continuity on the Hawaii Labor Relations Board by increasing the terms of each of its members from six to ten years.

The International Longshore and Warehouse Union, Local 142, AFL-CIO, testified in support of this bill. The Department of the Attorney General opposed this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1888, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1888, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Tsuji and Fox.
(Representatives Meyer, Moses and Pine voted no.)

SCRep. 1555 Finance on S.B. No. 101

The purpose of this bill is to make technical amendments to the budget allotment modification law.

In order to solicit public input, your Committee heard this bill as a draft proposal. As proposed, the purpose of the bill is to:

- (1) Appropriate moneys for the Temporary Assistance for Needy Families (TANF) program and all associated programs;
- (2) Provide performance measures for programs funded with TANF moneys;
- (3) Create a methodology for rewards and penalties for meeting or not meeting the performance measures; and
- (4) Prohibit the implementation of new programs that use TANF funding without the prior approval of the Legislature.

The Department of the Attorney General (AG), National Association of Social Workers (NASW), and a concerned individual submitted comments. The Department of Human Services (DHS) opposed this bill.

Section 901 of Public Law 104-193, also known as the Brown Amendment, states that any funds received by a state relating to block grants for TANF moneys shall be subject to appropriation by the state legislature. The Brown Amendment was adopted in the original passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, which introduced the current TANF system.

A policy brief published by the National Conference of State Legislatures (NCSL), a bipartisan organization, stated that:

Without Brown language, distribution of federal block grant funds would have been at the prerogative of the governor alone, circumventing the state legislative process, eluding public debate and effectively making governors administrative agents of the federal government.

Your Committee notes that while the current amount of reserves in TANF exceeds \$118 million, it should be noted that only in recent years has this reserve really grown. One of the factors leading to the growth of the reserves is the fact that recipients are losing their eligibility to receive TANF assistance as a result of being in the program for the sixty-month time limit. Recipients began encountering this time limit in late 2001.

While the current level of reserve funds is approximately \$118 million, your Committee notes that the Administration has initiated more than \$16 million in new spending over the past two years. While these new programs may seem to be in the best interests of the taxpayers, unilaterally introducing new programs without sufficient public input may not be in the best interests of the recipients.

As an example, NASW and a concerned individual testified that DHS has a Financial Assistance Advisory Council (Council), established under section 346-14.5, Hawaii Revised Statutes. The Council is tasked with rendering advice and information to DHS on matters relating to financial assistance programs, including rendering advice and information for the determination of the amount of benefit payments under programs such as TANF, Temporary Assistance to Other Needy Families (TAONF), and general assistance to households without minor dependents.

According to their testimony, under the prior Administration, this Council met monthly. However, under the current Administration, which began in late 2002, the Council has only met once. Your Committee recommends that the conference committee examine this existing structure to further address the concerns of the AG with regard to the role of the Legislature in providing rewards or sanctions to DHS.

Your Committee notes that while this bill is a work in progress, the primary goal is to ensure that resources to needy families are distributed quickly and efficiently. At the same time, however, transparency and accountability must not be sacrificed.

This bill attempts to implement a more substantive approach to performance-based budgeting by enhancing current reporting requirements by DHS, as well as introducing a system of rewards or penalties to be determined by the success or failure of DHS in meeting its performance goals.

In appropriating funding for TANF to DHS, a more comprehensive goal-based approach was taken. Rather than appropriating funding to DHS by Program ID, the entire amount is appropriated, with an emphasis on achieving goals. This approach provides DHS the maximum flexibility to accomplish its goals. However, this additional freedom must be balanced by enhanced transparency and accountability for the benefit of the recipients as well as taxpayers.

Your Committee has amended the proposed draft according to comments and concerns expressed by the AG. As amended, this bill:

- (1) Provides the mechanism by which any reward or penalty to DHS would be implemented;
- (2) Includes a definition for "new program" and clarifies the means by which a "new program" would be approved by the Legislature; and
- (3) Clarifies the appropriation issues and ambiguities addressed by the AG.

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. 101, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 101, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Carroll.
(Representatives Fox and Meyer voted no.)

The purpose of this concurrent resolution is to protect the marine waters of Hawaii by requesting the Department of Health to re-evaluate its memorandum of understanding with the cruise ship industry regarding cruise ship discharges.

The North West Cruiseship Association and Norwegian Cruise Lines testified in support of this measure. The Department of Health offered comments in opposition.

Your Committee finds that the importance of protecting Hawaii's ocean resources justifies a detailed review of the State's regulation of marine discharge. A number of concerns have been voiced about the lack of penalties and the enforceability of the current memorandum of understanding.

Your Committee further finds that the task of regulating marine discharge is a complex one, involving issues of preemption by federal law and the feasibility of obtaining waivers from the United States Environmental Protection Agency. Gaining a full understanding of the State's capacity and ability to enact new laws regulating cruise ships in State waters is a prerequisite to developing and passing effective legislation.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 75, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1557 Consumer Protection & Commerce/Judiciary on S.B. No. 77

The purpose of this bill is to increase highway safety by requiring:

- (1) Motor vehicle carriers to obtain vehicle identification cards by filing a description of the vehicle with the Director of Transportation; and
- (2) Commercial motor vehicles to be equipped with fenders, covers, or other devices to minimize the spray or splash of water or mud to the rear of the vehicle, and providing a \$50 fine for noncompliance.

Testimony in support of this measure was received from the Department of Transportation (DOT), and the Hawaii Transportation Association.

Your Committees find that existing administrative rules provide for vehicle identification cards and mudguards; however, no similar provisions exist in statute.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 77, S.D. 1, H.D. 1, and recommend that it pass Third Reading.

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

SCRep. 1558 Consumer Protection & Commerce on S.B. No. 761

The purpose of this bill is to provide persons afflicted with serious mental illness with better access to necessary treatment by expanding the definition of "serious mental illness" in the law requiring insurance coverage for mental health, alcohol, and drug abuse treatment.

Testimony in support of this bill was received from the Department of Health, Department of Commerce and Consumer Affairs, Hawaii Medical Association, Mental Health Association in Hawaii, Hawaii Psychological Association, National Alliance for the Mentally Ill Oahu, Hawaii Psychiatric Medical Association, and two concerned individuals. Hawaii Medical Service Association commented.

Your Committee finds that obsessive compulsive disorder, dissociative disorder, delusional disorder, and major depression are biological in origin, like any other physical illness. Expanding coverage under the law to include these illnesses will provide for a fairer and more equal treatment of persons who suffer from mental illnesses.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 761, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Kanohe, Morita, Saiki and Stonebraker.

SCRep. 1559 Consumer Protection & Commerce on S.B. No. 1903

The purpose of this bill is to exempt seawater air conditioning district cooling projects (SWAC projects) that use renewable energy resources to generate at least 50 percent of the energy needed for the cooling system, from regulation by the Public Utilities Commission (PUC).

Testimony in support of this bill was received from the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, Honolulu Seawater Air Conditioning, LLC, and Jacoby Development, Inc. PUC commented.

Your Committee finds that the use of cold seawater to air-condition buildings will advance Hawaii's energy goals. Not only is fossil fuel-generated energy consumption reduced, but also peak-use demand for electricity, thus avoiding the need for

additional fossil fuel-generating plants to satisfy peak-use demand. Exempting SWAC projects from PUC regulation will encourage the use of this renewable resource and help to make SWAC projects economically viable.

In addition, your Committee finds that SWAC projects possess qualities that make PUC oversight unnecessary as they are not sole providers of a service essential for the public health and welfare. Instead, SWAC projects involve a limited number of sophisticated building owners and operators who negotiate long-term contracts to identify and protect their rights and obligations.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1903, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Kanohe, Morita, Saiki and Stonebraker.

SCRep. 1560 Consumer Protection & Commerce on S.B. No. 971

The purpose of this bill is to improve the regulation of time shares by, among other things:

- (1) Reducing the written disclosure that must be provided to prospective time share purchasers offered a prize or gift as part of an advertising or promotion plan, from all terms and conditions, to the material terms and conditions attached to the prize or gift;
- (2) Deleting from the list of items to be included in the written disclosure, the exchange privileges and limitations of the time share project being sold;
- (3) Clarifying that the prohibition on receiving money or property from a prospective purchaser prior to signing a time share purchase contract is inapplicable to money paid for a tourist activity or any other product or service offered to induce attendance at a time share sales presentation;
- (4) Replacing the existing time share booth signage requirement with one that there be a sign:
 - (A) Containing the words "time share" or "time sharing" in letters that are at least three inches tall and in a color that contrasts with the background; and
 - (B) Posted on or in the booth in an upright position, perpendicular to the ground, and in a location that is easily visible to passersby;
- (5) Prohibiting the posting of anything near the required sign that would indicate that a time share booth is not being used for time share solicitation purposes;
- (6) Exempting from the signage requirement, time share booths located within a project subject to a time share plan; and
- (7) Providing that signs and banners, as opposed to promotional or other written materials, need not disclose that the product or activity involves time share, except as otherwise mandated for time share booth signs.

Your Committee received testimony in support of this measure from the American Resort Development Association's Hawaii Chapter and Pahio Resorts, Inc.

Your Committee believes that this measure will reduce regulatory burdens on the time share industry while protecting and informing potential consumers of time share interests.

Your Committee has amended this measure by:

- (1) Providing an effective date of July 1, 2009, in the interest of facilitating further discussion among the interested parties; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 971, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 971, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Kanohe, Morita, Saiki and Stonebraker.

SCRep. 1561 Consumer Protection & Commerce on S.B. No. 1141

The purpose of this bill is to remove unnecessary time share regulation by clarifying the definition of "developer," currently defined as a person that creates a time sharing plan or is in the business of selling time share units, to exclude:

- (1) Persons reselling time share interests, including licensed real estate brokers, who own not more than 12 time share intervals in a particular time share plan; and
- (2) Time share associations that acquire time share intervals from their owners and resell them.

Your Committee received testimony in support of this measure from American Resort Development Association Hawaii Chapter. The Acting Time Share Administrator of the Department of Commerce and Consumer Affairs supported the intent of this measure.

Your Committee finds that the law requiring the registration of a time share "developer," while intended for the original developer of a time share resort, applies to anyone who sells a time share interest. For example, the term would include a time share association that acquires time share intervals through foreclosures or cancellation of memberships from current owners, and real estate brokers who acquire intervals from current owners and then sell them to other persons.

Your Committee finds that the regulatory concerns raised by developer time share sales are not raised by the types of transactions excluded by this bill. Your Committee agrees that a narrowing of the applicability of developer registration requirements is necessary to avoid discouraging or preventing these legitimate time share sales transactions from occurring.

Your Committee amended this measure by:

- (1) Providing an effective date of July 1, 2009, to facilitate further discussion among the interested parties; and
- (2) Making technical, nonsubstantive amendments for the purpose of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1141, 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. 1141, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Kanoho, Morita, Saiki and Stonebraker.

SCRep. 1562 Consumer Protection & Commerce on S.B. No. 118

The purpose of this bill is to replace the state examinations for dental hygienists and dentists with one of four regional examinations for dental hygienists and dentists, respectively, until a uniform national examination for each of these areas of practice becomes available.

Testimony in support of this measure was submitted by the Board of Dental Examiners (Board), Hawaii Medical Service Association, Hawaii Dental Hygienists' Association, Hawaii Primary Care Association, and a concerned individual. The Hawaii Society of Orthodontics, Pedodontic Associates, Inc., and other concerned individuals submitted testimony in opposition.

Your Committee finds that the American Association of Dental Examiners is spearheading an effort to develop a uniform national examination for acceptance in every state. This will allow dentists and dental hygienists to serve across states, and may help to improve declining oral health in our state. However, there are differing opinions as to when the uniform national examination will be available. The Board testified that it should be ready by 2006, while others have stated that the examination is still years away.

This bill also addresses the current unavailability of a state written and practical dentist examination due to pending litigation questioning its fairness and effectiveness. Your Committee understands that the February state dentist examination has been cancelled and that no new dates have been set.

However, your Committee heard that the Board would now like the opportunity to develop and administer a new state dentist examination instead of accepting regional examination results. In this regard, concerns were voiced that the Board may not be able to develop the examination in compliance with the requirements of chapter 91, Hawaii Revised Statutes (HRS), in time to allow applicants to prepare for the examination, and to meet the Board's statutory mandate to administer two examinations every year.

Your Committee finds that the current situation is untenable and unfair to applicants for licensure as dentists. Although your Committee believes the Board should continue to retain discretion in matters concerning the licensing of dentists, your Committee does not want applicants to be deprived of the opportunity to take an examination for an indefinite or extended period of time.

Upon consideration of these issues, your Committee has amended this bill by:

- (1) Inserting the dentist license examination provisions of this bill into S.B. No. 568, H.D. 2, and addressing concerns regarding the state dentist examination in that bill;
- (2) Restoring in this bill, the requirement that two examinations for applicants for licensure as dental hygienists be held each year;
- (3) Allowing the Board a limited exemption from the rulemaking requirements of chapter 91, HRS, that expires on December 31, 2005, to develop a state written and practical examination for dental hygienists;
- (4) Providing that if the Board determines that two state dental hygienist examinations will not be or have not been administered during the calendar year, then an applicant is eligible for licensure if the applicant takes and passes:
 - (A) One of four regional examinations given after February 1, 2004; or
 - (B) A national examination approved by the Board;
- (5) Reducing the time frame for submitting a dental hygienist licensure application to the Board from 60 days to 45 days;
- (6) Amending the effective date to:
 - (A) Clarify that the bill applies retroactively to regional examinations taken after February 1, 2004; and

- (B) Sunset on January 31, 2007, the provisions that establish alternatives to the state dental hygienist examination in the absence of the Board's administration of two state examinations during the calendar year;

and

- (7) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 118, 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. 118, S.D. 2, H.D. 2.

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

SCRep. 1563 Consumer Protection & Commerce on S.B. No. 568

The purpose of this bill is to give Hawaii's citizens greater access to appropriate dental care by authorizing dental specialists and general dentists practicing in another state to be licensed by credential to practice in Hawaii.

Hawaii Family Dental Centers, Oral and Maxillofacial Surgery Associates, and several concerned dentists supported this bill. The Board of Dental Examiners (Board) supported the bill in part, and opposed the bill in part. The Hawaii Society of Orthodontics, Pedodontic Associates, and numerous concerned individuals opposed the bill.

This bill would allow licensing by credential for both general dentists and dental specialists. Your Committee finds that the state dentist examination, which measures competence to practice general dentistry, may be an inappropriate measure to evaluate the competence of dental specialists, who do not practice general dentistry. With regard to licensure by credential for general dentists, your Committee heard concerns that allowing all general dentists to be licensed by credential would dilute incentives in the current law designed to attract out-of-state dentists willing to practice in underserved areas of the state.

Your Committee heard this bill along with S.B. No. 118, H.D. 1, which like this bill, would change procedures for licensing dentists. S.B. No. 118, H.D. 1, would address the current unavailability of a state written and practical examination for dentists, due to pending litigation questioning its fairness and effectiveness. Your Committee understands that the February state examination has been cancelled and that no new dates have been set. To remedy this situation, S.B. No. 118, H.D. 1, provides for the acceptance of regional or national examination results in lieu of the state examination.

However, at the hearing of S.B. No. 118, H.D. 1, your Committee heard that the Board would now like the opportunity to develop and administer a new state dentist examination instead of accepting regional examination results. In this regard, concerns were voiced that the Board may not be able to develop the examination in compliance with the requirements of chapter 91, Hawaii Revised Statutes (HRS), in time to allow applicants to prepare for the examination, and to meet the Board's statutory mandate to administer two examinations every year.

Your Committee finds that the current situation is untenable and unfair to applicants for licensure as dentists. Although your Committee believes the Board should continue to retain discretion in matters concerning the licensing of dentists, your Committee does not want applicants to be deprived of the opportunity to take an examination for an indefinite or extended period of time.

Upon consideration of these issues, your Committee has amended this bill by:

- (1) Deleting part II of the bill that would have authorized general dentists to be licensed by credential;
- (2) Inserting into this bill, provisions of S.B. No. 118, H.D. 1, which allow acceptance of a regional or national examination in place of the state examination;
- (3) Amending these examination provisions to grant the Board a limited exemption from the rulemaking requirements of chapter 91, HRS, that expires on December 31, 2005, to develop a state written and practical examination for dentistry;
- (4) Providing that if the Board determines that two state examinations will not be or have not been administered during the calendar year, then an applicant is eligible for licensure:
 - (A) If the applicant takes and passes one of four regional examinations given after February 1, 2004, or a national exam approved by the Board; or
 - (B) By credential as a dental specialist;
- (5) Amending the dental specialist licensure by credential requirements by:
 - (A) Requiring persons licensed by credential to agree to practice only in their area of specialization;
 - (B) Removing the specialties of pedodontics and prosthodontics from the list that may be licensed by credential, and adding public health dentistry;
 - (C) Specifying that the applicant must pass parts I and II of the National Board Dental Examination;
 - (D) Removing the requirement that the licensing standards of the state in which the applicant is licensed, be at least equivalent to Hawaii's requirements; and

- (E) Removing the "catchall" provision that would have allowed the Board to ask an applicant for any other information necessary to determine fitness;
- (6) Reducing the time frame for submitting a dentist licensure application to the Board from 60 days to 45 days; and
- (7) Amending the effective date to:
 - (A) Clarify that the bill applies retroactively to regional examinations taken after February 1, 2004; and
 - (B) Sunset on January 31, 2007, the provisions that establish alternatives to the state dentist examination in the absence of the Board's administration of two state examinations during the calendar year; and
- (8) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 568, 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. 568, S.D. 1, H.D. 2.

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

SCRep. 1564 Consumer Protection & Commerce on S.B. No. 1003

The purpose of this bill is to encourage the use of renewable energy systems and move the State toward greater independence from the use of increasingly limited imported fossil fuels by:

- (1) Allowing eligible customer-generators (EC-G) of not more than 300 kilowatts to participate in the net energy metering program;
- (2) Allowing the Public Utilities Commission (PUC) to set and increase the maximum percentage of the electric utility's peak system demand that may be produced by EC-Gs, provided that the maximum percentage shall not be less than .5 per cent of the utility's peak system demand;
- (3) Authorizing the PUC to amend the applicable rate structure and standard contract or tariff;
- (4) Requiring the electric utility to provide the EC-Gs with a twelve-month reconciliation of the EC-G's consumption and production of energy; and
- (5) Clarifying the policy for the actions taken on credits for excess electricity from the EC-G that remain unused after the twelve-month reconciliation.

A member of the Maui County Council, Hawaii PV Coalition, Powerlight Corporation, Hawaii Solar Energy Association, and Inter-Island Solar Supply supported this bill. The Consumer Advocate, Hawaiian Electric Company, Maui Electric Company, and Hawaii Electric Light Company supported the intent of this measure. The Department of Business, Economic Development, and Tourism and PUC submitted comments.

Your Committee finds that there are many benefits associated with the expansion of net energy metering, including encouraging more rapid growth of EC-Gs, thereby helping to meet the growing power needs within the State.

Your Committee further finds that the net energy metering program, which provides incentives to those who produce renewable energy fed into the power grid, needs to be further encouraged by making it easier for an EC-G to participate in the program. In addition, the incremental increases in the percentage of an electric utility's generating capacity produced by EC-Gs will provide a fair standard to follow while providing predictability to electric utilities for planning and implementation purposes.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2009, to encourage further discussion; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1003, 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. 1003, S.D. 2, H.D. 2.

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

SCRep. 1565 Consumer Protection & Commerce/Judiciary on S.B. No. 121

The purpose of this bill is to allow brewpubs to sell:

- (1) Malt beverages in recyclable containers, rather than just glass containers; and
- (2) Malt beverages in brewery-sealed containers directly to class 2 restaurant licensees.

Aloha Brewers Guild, Caldera Brewing Company, Fish and Game Brewing Co., Rotisserie Maui Brewing Co., Cask Brewing Systems, Waimea Brewing Co., Stone Brewing & Distributing Co., Kona Brewing Company, Sam Choy's Big Aloha Brewery, and Ball Corporation testified in support of this measure.

Your Committees find that this measure allows brewpubs to sell malt beverages in recyclable containers, instead of being restricted to glass. It also permits brewpubs to sell malt beverages to class 2 restaurant licensees, thus expanding their market.

Your Committees find that while including class 2 licensees would include restaurants, the largest category of potential customers, there were concerns that this provision would allow brewpubs to circumvent the normal distribution levels of sales of malt beverages.

Upon further consideration, your Committees have amended this measure by deleting the provision permitting brewpubs to sell malt beverages directly to class 2 licensees.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 121, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 121, H.D. 1.

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

SCRep. 1566 Finance on S.B. No. 1864

The purpose of this bill is to make an emergency appropriation of \$1,500,000 out of the Judiciary Computer System Special Fund for fiscal year 2004-2005 to pay for unanticipated expenses related to the implementation of the Judiciary Information Management System.

The Judiciary 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. 1864, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Chong.

SCRep. 1567 Finance on S.B. No. 669

The purpose of this bill is to improve the efficiency of, and provide a source of funding for, the Animal Quarantine Program (Program) by:

- (1) Authorizing the Board of Agriculture (Board) to contract with third parties for the use or rental of animal quarantine property or facilities that are not required for use by the Program;
- (2) Requiring revenues generated by the use or rental of animal quarantine property or facilities be used to defray the costs of the Program and to minimize animal quarantine fees; and
- (3) Establishing that moneys received for the use or rental of animal quarantine property or facilities be deposited into the Animal Quarantine Special Fund.

The Department of Agriculture, Hawaiian Humane Society, The Chamber of Commerce of Hawaii, and the Hawaii Business Roundtable supported this bill. The Animal Care Foundation opposed this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 669, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Chong.

SCRep. 1568 Finance on S.B. No. 117

The purpose of this bill is to promote the development of affordable housing in West Maui by allowing affordable housing requirements for certain undeveloped parcels of land in Pu'ukoli'i Village to be established by agreement among the developer, the Housing and Community Development Corporation of Hawaii (HCDCH), and the appropriate Maui county agency. In addition, this bill establishes that the affordable housing requirement shall include housing that is affordable to households earning up to 100 percent of the county median income.

The Kaanapali Development Corp. testified in support of this bill. HCDCH supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 117, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Chong, Meyer and Pine.

SCRep. 1569 Finance on S.B. No. 1221

The purpose of this bill is to improve the effectiveness of teachers in the classrooms and improve the communication with, and performance of, students by:

- (1) Requiring the Department of Education (DOE) to reduce class sizes from kindergarten to the fifth grade; and
- (2) Appropriating funds for:
 - (A) The reduction of class sizes;
 - (B) Part-time teachers and tutors in public elementary and intermediate schools who need them; and
 - (C) Part-time teachers and aides when the student-to-teacher ratio is exceeded in grades three to five.

The Hawaii State Teachers Association and DOE supported this bill. The Department of Budget and Finance opposed this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1221, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll and Nishimoto.
(Representative Fox voted no.)

SCRep. 1570 Finance on S.B. No. 433

The purpose of this bill is to increase voter participation by developing, implementing, and appropriating funds for a Vote-by-Mail Pilot Program (Pilot Program) for the 2006 elections that would replace traditional polling places in the three representative districts with the lowest voter turnout rate in the last two election cycles. The Pilot Program would include voter education materials for eligible voters.

A concerned individual 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. 433, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Chong.
(Representative Moses voted no.)

SCRep. 1571 Finance on S.B. No. 1778

The purpose of this bill is to provide for prompt investigation of unlicensed contracting complaints by:

- (1) Requiring the Regulated Industries Complaints Office (RICO) to investigate complaints of unlicensed contracting within an unspecified number of working days of receipt of a complaint and to complete investigations within an unspecified number of working days; and
- (2) Appropriating an unspecified amount from the Compliance Resolution Fund for these investigations.

The Hawaii Building and Construction Trades Council, the International Union of Painters and Allied Trades, District Council 50, and the Iron Workers Stabilization Fund testified in support of this bill. The Building Industry Association-Hawaii supported the intent of this measure. The Department of Commerce and Consumer Affairs opposed this bill. The General Contractors Association of Hawaii offered comments.

Your Committee finds that it is not rare for unlicensed contracting complaints to be resolved only after the project in question is completed. For example, the Iron Workers Stabilization Fund testified that in January, 2005, it received a final decision of a complaint of unlicensed activity filed with RICO at the beginning of 2004, almost a complete year later. That construction project was completed many months earlier and was already occupied at the time of RICO's final decision. Therefore, it is crucial that complaints be investigated and completed within a timely manner so that stop-work orders can be given in cases where safety of the public is at issue.

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. 1778, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Chong.
(Representatives Fox and Meyer voted no.)

SCRep. 1572 Finance on S.B. No. 1772

The purpose of this bill is to protect taxpayers and employees who do not receive full health care coverage by enabling the State to determine which employers are shifting the responsibility of providing health care coverage for their employees to publicly funded medical assistance programs. Specifically, this bill:

- (1) Requires each applicant for medical assistance to identify the employer of the proposed beneficiary of medical assistance;
- (2) Requires the Department of Human Services (DHS) to submit an annual report to the Legislature identifying all employers who employ 25 or more beneficiaries of medical assistance programs administered by DHS; and
- (3) Requires this report to be made available to the public.

The Hawaii Government Employees Association, Hawaii State AFL-CIO, and two concerned individuals testified in support of this bill. DHS and the Employers' Chamber of Commerce opposed this measure. The Department of Commerce and Consumer Affairs and the Department of the Attorney General 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. 1772, S.D. 1, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Chong.
(Representatives Fox, Meyer and Moses voted no.)

SCRep. 1573 Finance on S.B. No. 294

The purpose of this bill is to assist low-income workers in Hawaii by raising the minimum wage to \$6.75 per hour beginning January 1, 2006, and \$7.25 per hour beginning January 1, 2007.

The Hawaii State AFL-CIO, ILWU Local 142, Hawaii State Teachers Association, Hawaii Chapter of the National Association of Social Workers, and several concerned individuals supported this bill. The Department of Labor and Industrial Relations and a concerned individual supported this bill with amendments. The Hawaii Restaurant Association, The Chamber of Commerce of Hawaii, Marians Catering, Pearl Country Club, Prime Care Services Hawaii, Inc., Hawaiian Housewares, Ltd., Standard Parking, City Mill Company, Ltd., Pacific Guardian Life, Big City Diner, Gyotaku Japanese Restaurants, Aloha Petroleum, Ltd., The Hawaii Business League, National Federation of Independent Business-Hawaiian Affairs, Kahala Mandarin Oriental, Cardinal Mailing Services, CTA Staffing, Hawaiian Fruit Specialties, LLC, Hauoli Hosale, Recycling Solutions, LLC, Badboy Hawaii, Retail Merchants of Hawaii, and a concerned citizen 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. 294, S.D. 3, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll and Nishimoto.
(Representatives Meyer and Moses voted no.)

SCRep. 1574 Finance on S.B. No. 1193

The purpose of this bill is to protect the employment rights of public employees by ensuring that civil service employees of the newly established Department of Education (DOE) civil service system will have the same benefits and rights of civil service employees employed by the executive departments.

DOE and the Hawaii Government Employees Association supported the intent of this bill. The Department of Human Resources Development 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. 1193, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Chong.
(Representatives Fox, Meyer and Moses voted no.)

SCRep. 1575 Finance on S.B. No. 1137

The purpose of this bill is to increase investment options for associations that are subject to the provisions of the recodified condominium law by amending Act 164, Session Laws of Hawaii 2004, to allow a condominium association to retain a Hawaii-based securities broker to invest association funds in certificates of deposit from out-of-state lenders.

The Hawaii Bankers Association and Community Associations Institute Hawaii Chapter testified in support of this bill. The Hawaii Independent Condominium and Cooperative Owners opposed this measure.

Your Committee has amended this measure by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1137, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1137, S.D. 1, H.D. 1.

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

SCRep. 1576 Finance on S.B. No. 639

The purpose of this bill is to remove the Housing and Community Development Corporation of Hawaii (HCDCH) from managing Department of Education (DOE) teacher housing and authorizes DOE to manage DOE teacher housing.

HCDCH, DOE, and the Hawaii State Teachers Association supported this bill.

Your Committee has amended this bill by:

- (1) Changing the effective dates to July 1, 2010; and
- (2) Making technical, nonsubstantive changes for 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. 639, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 639, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Carroll and Nishimoto.

SCRep. 1577 Finance on S.B. No. 1643

The purpose of this bill is to improve public education through the operation of new century charter schools by clarifying and strengthening the laws that govern them. Specifically, this bill:

- (1) Improves the new century charter school laws pertaining to their establishment, relationship with the Department of Education (DOE) and DOE schools, weighted student formula, personnel, and accountability;
- (2) Creates and appropriates funds for the Task Force on Charter School Governance to identify and recommend to the Legislature revisions to the existing charter school law and to help create an effective framework for overseeing and supporting new and existing charter schools;
- (3) Ensures more equitable and stable funding for the basic operations of new century charter schools by:
 - (a) Establishing and appropriating funds for a per-pupil allocation funding mechanism to be based on the most recently enacted DOE budget;
 - (b) Requiring that the Charter School Administrative Office's (CSAO) request for general fund appropriations for each school also be based on fringe benefit costs that must be included in the Department of Budget and Finance's annual budget request, and appropriating funds for these fringe benefits;
 - (c) Requiring the Legislature to make additional appropriations for collective bargaining increases for charter school employee members of collective bargaining units;
 - (d) Allowing the Legislature to make additional appropriations for workers' compensation benefits; and
 - (e) Providing charter schools with access to all federal education funds that are received by the State and authorizing CSAO to manage the federal funds;
- (4) Allows new century charter school employees to participate in the State's workers' compensation system and appropriating funds as needed, including payment of all previously unpaid workers' compensation claims incurred by new century charter schools;
- (5) Ensures compliance with federal regulations under the Individuals with Disabilities Education Act; and
- (6) Clarifies the administrative hearing procedures relating to the education of handicapped children.

Waimea Middle School, Waimea Middle School's Local Advisory Panel, Kualapuu Elementary School, Connections Public Charter School, Halau Ku Mana Public Charter School, Hawaii Charter Schools Network, Ho'okako'o Corporation, and many concerned individuals testified in support of this bill. DOE, CSAO, the Hawaii State Teachers Association, and several concerned individuals supported the intent of this measure. The Department of Budget and Finance opposed this bill. The Governor's Administration and Department of Human Resources Development offered comments.

Your Committee has amended this bill by:

- (1) Changing the following appropriation amounts to \$0:
 - (a) \$75,000 to support the operations of the Task Force on Charter School Governance; and
 - (b) \$39,500,200 for fiscal year 2005-2006 and \$45,550,416 for fiscal year 2006-2007 for per-pupil allocations to new century charter schools;
- (2) Changing the effective date to July 1, 2010; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style, including clarifying the purpose language of parts II and III to reflect the amendments made in the H.D. 1.

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. 1643, 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. 1643, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Carroll and Nishimoto.

SCRep. 1578 Finance on S.B. No. 1814

The purpose of this bill is to authorize the Department of Education (DOE) to assess and collect impact fees as fair share contributions of developers for the construction of new, or expansion of existing, state public school facilities that are necessary due to new housing developments.

The Land Use Research Foundation (LURF) of Hawaii supported this bill, with amendments. DOE and City & County of Honolulu's (C&C) Department of Planning and Permitting (DPP) supported the intent of this measure.

LURF expressed its concern that additional amendments would be needed to properly reference the State Educational Facilities Improvement Special Fund and to avoid conflict with Act 155, Session Laws of Hawaii of 2004. They also suggested several issues the Legislature should consider, including DOE's statutory and administrative authority to collect and assess fair share contributions, the methodology for calculating fees commensurate with the development's impacts, the nexus between the fees generated by a particular development and that development's impacts, and the equity that must be exercised in allowing the development community to assist DOE in providing more classrooms and school facilities in high demand areas.

DPP raised several concerns about the process and procedures that C&C would have to follow. DPP explained that an ordinance is necessary rather than an intergovernmental agreement to allow C&C to charge developers the impact fee. DPP also suggested that impact fees must be levied fairly and equally across the board, which includes affordable housing projects. DPP further noted that amending Chapter 46, Hawaii Revised Statutes, will create confusion by placing a state agency in a chapter that deals with the counties, and is unnecessary because C&C has successfully arranged similar actions with the State in the past.

This bill has been amended by:

- (1) Defining the term "board" as meaning the Board of Education;
- (2) Specifying that the impact fees be placed in DOE trust fund accounts; and
- (3) Making technical, nonsubstantive changes for 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. 1814, 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. 1814, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Carroll and Nishimoto.
(Representatives Fox and Moses voted no.)

SCRep. 1579 Finance on S.B. No. 667

The purpose of this bill is to help pay for losses incurred by the University of Hawaii (UH) as a result of the flood on October 30, 2004, by:

- (1) Increasing the spending ceiling of the State Risk Management Revolving Fund (Revolving Fund) by \$25,000,000 to \$35,450,000;
- (2) Appropriating \$25,000,000 out of the Revolving Fund for fiscal year 2004-2005 to be deposited into the general fund; and
- (3) Appropriating \$25,000,000 out of the general fund for fiscal year 2004-2005 for the cleaning, repairing, or replacing of damaged or destroyed UH property, and for reimbursing UH for funds already spent for the cleaning, repairing, and replacing of damaged or destroyed UH property.

UH and the Department of Accounting and General Services supported this bill.

Your Committee has amended this measure by:

- (1) Changing the amount appropriated out of the general fund for the cleaning, repairing, or replacing of damaged or destroyed UH property, and for reimbursing UH for funds already spent for the cleaning, repairing, and replacing of damaged or destroyed UH property, to \$22,000,000; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 667, 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. 667, S.D. 2, H.D. 2.

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

SCRep. 1580 Finance on S.B. No. 467

The purpose of this bill is to improve the range and quality of programs offered to women and girls in corrections by establishing and appropriating funds for a gender-responsive environment and gender-responsive, community-based programs for female adjudicated youth and female offenders.

The Community Alliance on Prisons, Hawaii Juvenile Justice Project, Life of the Land, Hawaii Youth Services Network, National Association of Social Workers, Hawaii Chapter, American Friends Service Committee, TJ Mahoney & Associates, Ka Hale Ho'ala Hou No Na Wahine, ACLU of Hawaii, and numerous concerned individuals testified in support of this bill. The Department of

Public Safety, Hawaii Paroling Authority, and Office of Youth Services supported the intent of this measure. The Department of the Attorney General offered comments.

Your Committee has amended this bill by:

- (1) Replacing the term "grant" with "contract" throughout the measure;
- (2) Replacing the reference to "chapter 42F" with "chapter 103F";
- (3) Changing the years for which funds are to be appropriated from fiscal years 2006-2007 and 2007-2008 to fiscal years 2005-2006 and 2006-2007; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 467, 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. 467, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Chong.

SCRep. 1581 Finance on S.B. No. 55

The purpose of this bill is to ensure that employees are given a reasonable time – at least 30 consecutive minutes – to rest, recover, and take a meal break after working five or more straight hours, except in certain cases.

The Hawaii State Teachers Association, Hawaii State AFL-CIO, The League of Women Voters of Hawaii, and ILWU Local 142 testified in support of this bill. The First Hawaiian Bank supported this measure with amendments. The Hawaii Civil Rights Commission supported the intent of this bill. The Department of Labor and Industrial Relations, Retail Merchants of Hawaii, Hawaii Business League, and Society of Human Resource Management – Hawaii Chapter opposed this measure. The Covanta Energy Group offered comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2010; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 55, 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. 55, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Carroll and Nishimoto.
(Representatives Evans, Fox, Meyer and Moses voted no.)

SCRep. 1582 Finance on S.B. No. 1194

The purpose of this bill is to improve the State Deferred Compensation System by allowing the public employee members of the Board of Trustees of the Deferred Compensation Plan (Board) to be elected rather than appointed.

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, supported the intent of this bill. The Board and two concerned individuals opposed this measure. The Department of Human Resources Development offered comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1194, 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. 1194, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Chong and Meyer.
(Representatives Fox and Moses voted no.)

SCRep. 1583 Finance on S.B. No. 1378

The purpose of this bill is to designate the path that runs from Halawa Landing to Waipahu as the Pearl Harbor Historic Trail.

The USS Bowfin Submarine Museum & Park and a concerned individual testified in support of this bill.

Your Committee has amended this bill by changing the effective date to July 1, 2010, to encourage 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. 1378, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1378, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representative Carroll.

SCRep. 1584 Finance on S.B. No. 1891

The purpose of this bill is to:

- (1) Require an owner of a commercial vessel moored in a state small boat harbor to pay a minimum fee based on a percentage of gross revenues derived from the use of the vessel; and
- (2) Expand the types of fees and penalties established through rules relating to harbors to be deposited into the Boating Special Fund.

The Ocean Tourism Coalition, Maui Dive Shop, Teralani Sailing Excursions, Trilogy Excursions, SeaQuest Rafting & Snorkeling Adventure, Outfitters Kauai, Prade Charters Incorporated, Lahaina Divers, Expeditions, Frogman Charters, HST, Sailing Ships Ltd. dba Gemini Charters, Captain Andy's Sailing Inc., Captain Beans' Cruises, Aqua Lung, Blue Water Rafting, Blue Dolphin, Maui-Molokai Sea Cruises-Prince Kuhio, Maui Classic Charters, Jet Sports, Maui Ocean Activities, Inc., Jack's Diving Locker, Island Marine, Fair Wind Cruises, and a concerned individual testified in support of this bill. The Department of Land and Natural Resources supported the intent of this measure. Kona Blue Water Farms, LLC, testified in opposition to this bill.

Your Committee has amended this measure by changing the effective date to July 1, 2010, to encourage 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. 1891, 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. 1891, S.D. 2, H.D. 2.

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

SCRep. 1585 Finance on S.B. No. 1897

The purpose of this bill is to provide funding for land conservation efforts by, among other things:

- (1) Renaming the fund established under section 173A-5, Hawaii Revised Statutes, as the "Land Conservation Fund" (Fund) and dedicating 25 percent of the annual proceeds from the conveyance tax to the Fund;
- (2) Exempting the Fund from the five percent fee collected from special funds for government central service expenses;
- (3) Amending the definition of "land having value as a resource to the State" to include land having cultural or agricultural production value;
- (4) Allowing grants from the Fund to be made to state agencies, counties, and nonprofit land conservation organizations to acquire interests or rights in land having value as a State resource, in fee title or through permanent conservation easements;
- (5) Requiring matching funds of at least 25 percent of the total project costs for grants from the Fund made to a county agency or nonprofit land conservation organization; and
- (6) Appropriating for fiscal year 2005-2006, funds to secure matching federal funding for land conservation efforts in Honu'apo Estuary lands in Ka'u and Moanalua Valley on Oahu, and to purchase agriculture easements to protect farm and ranch lands statewide.

The mayors of the counties of Hawaii and Maui, two members of the Hawaii County Council, two members of the Maui County Council, County of Kauai Planning Department, Office of Hawaiian Affairs, Big Island Farm Bureau, Sierra Club-Hawaii Chapter, The Nature Conservancy of Hawaii, Maui Land & Pineapple Company, Inc., Maui Coastal Land Trust, Ko'olau Mountains Watershed Partnership, Enterprise Honolulu, The League of Women Voters of Hawaii, The Trust for Public Land, Kauai Public Land Trust, Kona Land Trust, Hawaii Forest Industry Association, Peoples Advocacy for Trails, Na Leo Pohai, Malama Maha'ulepu, Kauai Public Access, Open Space, and Natural Resources Preservation Fund Commission, North Shore Community Land Trust, Kohanaiki Ohana, Hawaii Invasive Species Management & Education Corporation, Conservation Council for Hawaii, Kahea-The Hawaiian-Environmental Alliance, Moanalua Gardens Foundation, Rocky Mountain Institute, Livable Hawaii Kai Hui, and numerous concerned individuals testified in support of this bill. The Department of Land and Natural Resources and American Farmland Trust supported the intent of this measure. The Department of Taxation opposed this bill. The Department of Agriculture, Tax Foundation of Hawaii, and Land Use Research Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Specifying that the appropriations made under this measure for land conservation efforts in Honu'apo Estuary in Ka'u are to be used for the purchase of more than 153 acres of land in that area; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1897, 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. 1897, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Chong.
(Representative Moses voted no.)

SCRep. 1586 Finance on S.B. No. 873

The purpose of this bill is to improve the State's early education programs by:

- (1) Requiring the Department of Education (DOE) to staff junior kindergartens with qualified preschool teachers and preschool teacher aides, beginning with the 2007-2008 school year; and
- (2) Requiring the Hawaii Teacher Standards Board to develop standards for teachers and teacher aides assigned to junior kindergarten classrooms.

The Hawaii State Teachers Association supported the intent of this measure. DOE and Good Beginnings Alliance opposed this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 873, 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. 873, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Carroll and Nishimoto.
(Representatives Fox and Moses voted no.)

SCRep. 1587 Finance on S.B. No. 1256

The purpose of this bill is to improve the governance of the University of Hawaii (UH) by proposing a constitutional amendment to modify the appointment process of the UH Board of Regents (BOR). Specifically, this constitutional amendment would:

- (1) Require the BOR to be selected from a pool of qualified candidates presented to the Governor by a Candidate Advisory Council (Council); and
- (2) Allow current members of the BOR to continue to serve their terms of office until they are replaced by appointed members who have been screened and proposed by the Council.

The UH Professional Assembly, UH Student Caucus, and a concerned individual testified in support of this bill. The Hawaii Government Employees Association supported the intent of this measure. UH offered comments.

Your Committee has amended this bill by clarifying the intent of the Legislature to:

- (1) Have existing BOR members serve their full terms of office; and
- (2) Replace each member with an appointed member screened and proposed by the Council as the member's term expires.

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, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1256, H.D.1.

Signed by all members of the Committee except Representative Chong.
(Representatives Fox, Meyer and Moses voted no.)

SCRep. 1588 Finance on S.B. No. 1257

The purpose of this bill is to improve the governance of the University of Hawaii (UH) by, among other things:

- (1) Modifying the process of appointing the members of the UH Board of Regents (BOR) by establishing a Candidate Advisory Council to determine the criteria for, screen, and propose qualified candidates from which the Governor can choose;
- (2) Changing the number of BOR members from 12 to 11;
- (3) Removing the prohibition that no more than six members of the BOR may be members of the same political party;
- (4) Specifying the geographic areas that must be represented by a certain number of BOR members;

- (5) Modifying the length of service of each BOR member from four-year terms to two consecutive five-year terms;
- (6) Establishing that at least three months prior to the conclusion of a BOR member's first five-year term, the Senate must consider the question of whether to reconfirm the member's position on the BOR; and
- (7) Clarifying that every BOR member may serve beyond the expiration date of the member's term until the member's successor has been appointed, has qualified, and has been confirmed by the Senate.

The UH Professional Assembly testified in support of this bill. The Hawaii Government Employees Association supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Clarifying that each BOR member shall serve no more than two consecutive five-year terms; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1257, 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. 1257, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Chong.
(Representatives Fox, Meyer and Moses voted no.)

SCRep. 1589 Finance on S.B. No. 1747

The purpose of this bill is to support botanical research and education in Hawaii by appropriating \$900,000 for fiscal year 2005-2006 and \$900,000 for fiscal year 2006-2007 for the repair, maintenance, and operation of the Harold L. Lyon Arboretum.

The College of Natural Sciences at the University of Hawaii and numerous concerned individuals supported this bill. The Hawaii Government Employees Association supported the intent of this measure.

Your Committee has amended this measure by:

- (1) Changing the appropriation amount for each fiscal year to \$1 to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1747, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1747, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representative Carroll.

SCRep. 1590 Finance on S.B. No. 1557

The purpose of this bill is to make permanent the renewable energy technologies tax credit by deleting its repeal date of January 1, 2008.

The Public Utilities Commission, Hawaiian Electric Company, Hawaii Electric Light Company, Maui Electric Company, Hawaii Renewable Energy Alliance, Hawaii Solar Energy Association, Hawaii PV Coalition, Island Energy Solutions, Inc., Rocky Mountain Institute, PowerLight Corporation, Inter-Island Solar Supply, and R & R Solar Supply testified in support of this bill. The Department of Business, Economic Development, and Tourism supported the intent of this measure. The Department of Taxation opposed this bill for budgetary reasons. The University of Hawaii Environmental Center and Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Establishing a repeal date of January 1, 2010, for the renewable energy technologies tax credit;
- (2) Changing the effective date to July 1, 2010, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for consistency and to correct drafting errors.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1557, 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. 1557, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Chong.

SCRep. 1591 Finance on S.B. No. 1201

The purpose of this bill is to sustain and expand efforts in addressing the problem of substance abuse by:

- (1) Establishing the "Drug Busters Program" under the Attorney General to combat the manufacture, distribution, and sale of crystal methamphetamine (ice); and
- (2) Appropriating funds for various substance abuse prevention, treatment, enforcement, and education programs.

The Drug Policy Action Group, Hawaii Juvenile Justice Project, Community Alliance on Prisons, Hawaii Youth Services Network, The Salvation Army Addiction Treatment Services, Coalition for a Drug-Free Hawaii, and a concerned individual supported this bill. Hina Mauka supported this bill with amendments. The Attorney General, Department of Education, and the Department of Public Safety supported the intent of this measure. The Department of Health offered comments.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2010, to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1201, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1201, S.D. 2, H.D. 3.

Signed by all members of the Committee except Representative Chong.

SCRep. 1592 Finance on S.B. No. 1420

The purpose of this bill is to ensure that mental health patients receive appropriate medication by:

- (1) Prohibiting the Department of Human Services (DHS) from restricting payments for access to psychotropic medication prescribed to the recipient by a licensed medical care provider;
- (2) Providing that an individual determined by a licensed medical care provider to be in need of emergency psychiatric or psychological service is presumed eligible for psychotropic medication prescribed by a licensed medical care provider until an eligibility decision is made by DHS, and that DHS must reimburse any costs for the medication and related physician services incurred during the presumptive eligibility period;
- (3) Removing the preauthorization restrictions for licensed medical care providers prescribing psychotropic medication to certain individuals in need of emergency psychiatric or psychological service;
- (4) Establishing a task force to examine issues relating to psychotropic medication restrictions, and appropriating an unspecified sum for the task force's expenses; and
- (5) Appropriating unspecified sums for fiscal years 2005-2006 and 2006-2007 for DHS to provide unrestricted payment for and access to psychotropic medication.

The Hawaii Disability Rights Center, Mental Health Legislative Coalition, and numerous individuals testified in support of this bill. The Department of the Attorney General (AG), Department of Health, and a concerned individual opposed this measure. DHS offered comments.

Your Committee notes that the AG expressed concerns that the provision establishing presumptive eligibility for psychotropic medication for patients in need of emergency psychiatric or psychological service may expose the State to liability to other disabled populations for disparate treatment of their medical conditions. Furthermore, the AG notes that payment for emergency psychiatric or psychological services should be made from state funds only, as the use of federal funds for services provided to patients later found ineligible for Medicaid may negatively impact the State's share of future Medicaid reimbursements.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2010, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1420, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1420, S.D. 2, H.D. 3.

Signed by all members of the Committee except Representative Tsuji.
(Representatives Fox and Moses voted no.)

SCRep. 1593 Finance on S.B. No. 244

The purpose of this bill is to establish a Long-term Care Resource Program Initiative at Kapiolani Community College to accommodate a broader range of home- and community-based long-term care for the elderly. This bill also appropriates an unspecified amount of funds for start-up expenses.

The Hawaii Alliance for Retired Americans, the Policy Advisory Board for Elder Affairs, Kokua Council, ILWU Local 142, and a concerned individual testified in support of this bill. KCC and the Department of Health supported the intent of this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2010, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for 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. 244, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 244, S.D. 2, H.D. 1.

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

SCRep. 1594 Finance on S.B. No. 935

The purpose of this bill is to expand the scope of public work projects that must meet employee wages and hours requirements under chapter 104, Hawaii Revised Statutes (HRS). Specifically, this bill:

- (1) Removes the requirement that a public work project must involve a governmental contracting agency to be subject to chapter 104, HRS;
- (2) Repeals the definition of a "governmental contracting agency"; and
- (3) Clarifies the definition of a "public work" to include any project financed by special purpose revenue bonds.

The Hawaii Building and Construction Trades Council and the International Brotherhood of Electrical Workers, Local 1186, testified in support of this bill. The Department of Labor and Industrial Relations, Department of Accounting and General Services, Department of Business, Economic Development, and Tourism, and the Building Industry Association of Hawaii opposed this measure.

Your Committee has amended this bill by restoring:

- (1) The requirement that a public work project must involve a governmental contracting agency to be subject to chapter 104, HRS; and
- (2) The definition of a "governmental contracting agency".

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. 935, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 935, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representative Carroll.
(Representatives Fox, Meyer, Moses and Pine voted no.)

SCRep. 1595 Finance on S.B. No. 1698

The purpose of this bill is to support Hawaii's growing technology sector by:

- (1) Providing tax credits for contributions of money, goods, or in-kind services for the establishment and maintenance of technology laboratories in public schools; and
- (2) Appropriating funds for grants to the Economic Development Alliance of Hawaii, Inc. (Alliance), to:
 - (A) Coordinate marketing of Hawaii's technology companies and opportunities on the United States mainland; and
 - (B) Expand its Project EAST program to four additional schools.

The Office of Economic Development for the County of Kauai, Hawaii Island Economic Development Board, Inc., Kauai Economic Development Board, Alliance, Enterprise Honolulu, Maui Economic Development Board, Inc., and several concerned individuals supported this bill. The Department of Business, Economic Development, and Tourism and Department of Education supported the intent of this measure. The Department of Taxation opposed this bill. The Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Removing the tax credit for contributions to school technology laboratories; and
- (2) Making technical, nonsubstantive changes for 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. 1698, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1698, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representative Chong.

SCRep. 1596 Finance on S.B. No. 1702

The purpose of this bill is to encourage the development of high technology in Hawaii by establishing the High Technology Innovation Corporation (HTIC) as a nonprofit entity attached to the High Technology Development Corporation (HTDC) to assist in attracting high technology development opportunities to the state.

HTDC and several concerned individuals supported this bill. The Department of Business, Economic Development, and Tourism supported the intent of this measure. The State Procurement Office offered comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2010, to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1702, 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. 1702, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Carroll.

SCRep. 1597 Finance on S.B. No. 1250

The purpose of this bill is to assist substitute teachers of the Department of Education (DOE) by:

- (1) Requiring the Board of Education (BOE) to develop a classification and compensation plan for substitute teachers' pay commensurate with their educational training and academic experience; and
- (2) Providing an unspecified amount of funds for possible salary adjustments for public school substitute teachers.

The Hawaii State Teachers Association, Alston Hunt Floyd & Ing, Substitute Teachers Professional Alliance, and numerous concerned individuals testified in support of this bill. Numerous concerned individuals supported this measure with amendments. The Governor, DOE, and many concerned individuals supported the intent of this bill. The Department of the Attorney General offered comments.

Your Committee has amended this bill by:

- (1) Changing the effective date of the new substitute teachers' pay schedule based on the classification and compensation plan from January 25, 2005, to July 1, 2005;
- (2) Requiring that the classification and compensation plan be prepared and approved by the BOE no later than December 31, 2005, rather than August 1, 2005;
- (3) Providing a classification and compensation schedule to be considered by the BOE, which includes three different classes of individuals based on specific criteria, including educational training and academic experience;
- (4) Requiring the individuals in each class, other than retired DOE teachers, to take a substitute training course during their first year of employment and refresher courses every five years thereafter, and requiring retired DOE teachers to take a refresher course on the tenth year after retirement and every 10 years thereafter;
- (5) Preserving the original per diem rate, derived from the annual rate and based on a formula;
- (6) Changing the effective date of the provision for possible salary adjustments for substitute teachers to July 1, 2005, rather than January 25, 2005;
- (7) Changing the effective date of the measure to July 1, 2010, to promote further discussion; and
- (8) Making technical, nonsubstantive amendments for 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. 1250, 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. 1250, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Chong.

SCRep. 1598 Finance on S.B. No. 1889

The purpose of this bill is to ensure that all future apprenticeship agreements approved by the State will safeguard the welfare of apprentices by:

- (1) Amending the standards for apprenticeship agreements to, upon written approval by the federal Office of Apprenticeship Training, Employer, and Labor Services (OATELS), include assurances that:
 - (A) Qualified training personnel, adequate supervision on the job, and the requisite specialty licenses relevant to the trade or craft are available; and

- (B) For parallel programs, that a continuing need exists in the trade or group of trades, and that these programs are "equal to or better than" existing programs;
- (2) Upon written approval by the OATELS, requiring rather than allowing the Director of the Department of Labor and Industrial Relations (DLIR) to establish an apprenticeship council to promote and approve apprenticeship programs consistent with the standards for agreements; and
- (3) Making the apprenticeship council regulatory rather than advisory.

The Hawaii Building and Construction Trades Council, AFL-CIO and International Union of Painters and Allied Trades, District Council 50, AFL-CIO testified in support of this bill. The International Brotherhood of Painters and Allied Trades, Drywall Tapers, Finishers and Allied Workers Local Union 1944, AFL-CIO and Glaziers Local Union 1889 supported the intent of this measure. The General Contractors Association of Hawaii and Associated Builders and Contractors, Inc. – Hawaii Chapter opposed this bill. DLIR and the Department of the Attorney General offered comments.

This bill amends the existing statute to reflect federal and state rules and the practices and procedures already in place within DLIR. Furthermore, this measure procedurally shifts final decision-making on apprenticeship matters to the body with expertise.

The support of the building trades testifying on this bill and the files of DLIR affirm that the language proposed in this measure does not reflect a change in the operations of the apprenticeship programs in Hawaii, but rather reflects the law and current practice. For that reason, your Committee has deleted the provisions of this bill requiring approval from the OATELS.

Section 1 of this bill adds the following additional standards that a program applicant must satisfy to submit a valid apprenticeship program:

- (1) Qualified training personnel;
- (2) Adequate supervision on the job; and
- (3) The requisite specialty licenses relevant to the trade or craft.

The first two standards are already mandated by federal law. (See 29 C.F.R. §29.5(b)(1), (7), and (14))

Section 1 of this bill also requires that where an application is received in a trade where an apprenticeship agreement already exists, the new applicant must show a continuing need exists in the trade or group of trades, and compliance with the "equal to or better than" requirement. Your Committee heard testimony from the building trades and reviewed correspondence dated March 30, 1999, from Elaine Young to Lorraine Akiba, then the director of DLIR, that showed that DLIR has for years by custom and practice required a new and competing program to establish that it is offering at least a program which is "equal to or better than" the existing program to be registered in a parallel trade or craft.

Section 2 of this bill expands the existing role of the apprenticeship council from a purely advisory body under section 372-4, Hawaii Revised Statutes (HRS), to one that is responsible for promoting and approving apprenticeship programs consistent with the standards for agreements. Under existing law, the director of DLIR already relies on the views and opinions of the apprenticeship council, which has the requisite expertise and experience in the field and represents a cross-section of the community that is most directly involved in apprenticeship and education. We believe the apprenticeship council is better qualified to uphold the standards established by chapter 372, HRS. Empowering the apprenticeship council will not alter the standards each apprenticeship program must satisfy to gain approval. The federal law already recognizes that the apprenticeship council can have the authority to register and/or approve the local apprenticeship programs and agreements. (See 29 C.F.R. §29.2(o))

The federal regulations do not require OATELS review and approval before the State can implement clarification of its state apprenticeship statute. The submittal of any changes or modifications is limited to maintaining recognition for federal purposes. Since the changes in this bill are consistent with the federal regulations, your Committee sees no reason to delay the implementation of this measure. Bureaucratic review by the OATELS could delay changes your Committee believes will provide immediate safeguards for the welfare of apprentices.

Accordingly, your Committee has amended this measure by:

- (1) Deleting language providing that the provisions of this measure are effective only upon written approval from the OATELS; and
- (2) Making a technical, nonsubstantive amendment for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1889, 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. 1889, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Chong.
(Representatives Fox, Meyer, Moses and Pine voted no.)

SCRep. 1599 Finance on S.B. No. 751

The purpose of this bill is to improve the State's insurance statutes through housekeeping amendments that make the law easier to understand, less burdensome, and more technically correct.

Your Committee received testimony on a proposed H.D. 2 of this bill that was made available to the public prior to the public hearing. Part I of the proposed H.D. 2 includes the substance described above, and part II adds provisions that would:

- (1) Award administrative penalties and attorney's fees and costs to the successful party in a workers' compensation fraud case; and
- (2) Enable the Insurance Commissioner to investigate and prosecute workers' compensation fraud against insurers, self-insured employers, and fully-insured employers.

The ILWU Local 142 and concerned individuals supported part II of the proposed H.D. 2. The Chamber of Commerce of Hawaii opposed part II of the proposed H.D. 2. The American Council of Life Insurers, Hawaii Employers' Mutual Insurance Company, Inc., Hawaii State AFL-CIO, and Hawaii Insurers Council opposed the proposed H.D. 2. The Department of Commerce and Consumer Affairs supported part I of the proposed H.D. 2 with amendments, and opposed part II. The Department of Human Resources Development does not support the proposed H.D. 2. The Hawaii Chapter American Physical Therapy Association provided comments.

Your Committee has amended this bill, as received, by:

- (1) Adopting the amendments in the proposed H.D. 2;
- (2) Changing the effective date to July 1, 2010, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 751, 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. 751, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Carroll.
(Representative Meyer voted no.)

SCRep. 1600 Finance on S.B. No. 1792

The purpose of this bill is to attract foreign technology companies to open a branch of operations in Hawaii by appropriating funds to the High Technology Development Corporation (HTDC) to establish an International Business and Technology Incubator Program in Hawaii.

HTDC testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2010, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1792, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1792, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representative Tsuji.

SCRep. 1601 Finance on S.B. No. 819

The purpose of this bill is to enable the Department of Land and Natural Resources (DLNR) to:

- (1) Deposit civil, criminal, and administrative penalties, fines, and other charges collected under Chapter 6E, Hawaii Revised Statutes (HRS), or any rule adopted pursuant to Chapter 6E, HRS, into the Hawaii Historic Preservation Special Fund (Special Fund); and
- (2) Allow Special Fund moneys to be used to pay for staff positions and administrative and operational costs of the Historic Preservation Program, subject to legislative approval.

DLNR testified in support of this bill.

Your Committee has amended this measure by changing the effective date to July 1, 2010, to encourage 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. 819, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 819, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representative Tsuji.

SCRep. 1602 Finance on S.B. No. 1697

The purpose of this bill is to assist the University of Hawaii in the development of the aviation industry and expansion of aerospace training and research in Hawaii by appropriating funds for start-up costs for an integrated airline training center (Center).

The Honolulu Community College (HCC) and Global Flyers Corp. testified in support of this bill. The Department of Business, Economic Development, and Tourism supported the intent of this measure.

Your Committee wishes to note that until now, the parties interested in developing the Center have not actively solicited the input of the residential communities which may be affected by the Center's operations. Your Committee believes that these neighborhoods should be involved and kept informed during the development process to ensure the most beneficial outcome for all parties involved with the Center.

Your Committee has amended this measure by:

- (1) Specifying in the purpose section that HCC work in partnership with the High Technology Development Corporation (HTDC);
- (2) Changing the expending agency to HTDC;
- (3) Requiring HTDC to contract with HCC to operate the Center; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1697, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1697, S.D. 2, H.D. 1.

Signed by all members of the Committee.

SCRep. 1603 Finance on S.B. No. 116

The purpose of this bill is to address the shortage of registered nurses in this state by:

- (1) Establishing a scholarship program to support nurses pursuing graduate degrees and careers in nursing instruction; and
- (2) Re-establishing the Operation Nightingale Program to help nurses pass the State Board of Nursing examination.

The Healthcare Association of Hawaii, Hawaii Government Employees Association, Hawaii Pacific Health, The Queen's Medical Center, and University of Phoenix – Hawaii Campus testified in support of this bill. The University of Hawaii supported the intent of this measure. The Department of Taxation and Hawaii State Center for Nursing offered comments.

Your Committee has amended this bill by:

- (1) Changing the effective dates to July 1, 2010, for the purpose of continuing discussion; and
- (2) Making technical, nonsubstantive amendments for 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. 116, 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. 116, S.D. 2, H.D. 2.

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

SCRep. 1604 Finance on S.B. No. 1022

The purpose of this bill is to expand services to beneficiaries of medical assistance programs by temporarily requiring medical assistance programs, such as Medicaid and QUEST, to provide chiropractic coverage.

The Hawaii State Chiropractic Association, Back in Action Chiropractic, Inc., Hawaii Kai Chiropractic, ChiroCenter Kahului, Momyer Chiropractic, Pukalani Chiropractic, Inc., Klein Chiropractic Center, American Chiropractic Association, and numerous concerned individuals supported this bill. The Department of Human Services (DHS) supported the intent of this bill.

Your Committee notes that this measure, as referred to your Committee, requires DHS to provide additional medical coverage but does not include an appropriation or other funding source.

Your Committee also recognizes that Medicaid and QUEST are medical assistance programs that are funded by both state funds and federal matching funds. To receive federal matching fund reimbursements for chiropractic coverage, DHS must submit a State Plan Amendment that must be approved by the federal Centers for Medicare and Medicaid Services (CMS). Your Committee notes that this bill, as referred to your Committee, contains an effective date of July 1, 2005, with or without CMS approval of the State Plan Amendment. If no approval is received from CMS prior to the effective date of this measure, then all costs for chiropractic care will have to be funded with state funds only.

Accordingly, your Committee has amended this measure by:

- (1) Appropriating an unspecified amount of funds for fiscal biennium 2005-2007 to pay for chiropractic coverage;
- (2) Changing its effective date to July 1, 2010, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1022, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1022, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Chong, Meyer and Pine.
(Representative Fox voted no.)

SCRep. 1605 Finance on S.B. No. 1745

The purpose of this bill is to provide a one-time, nonrefundable tax credit of up to \$2,000 to the victims of the Manoa flood of October 2004.

The Department of Taxation opposed this bill. The Tax Foundation of Hawaii offered comments.

Your Committee has amended this measure by:

- (1) Clarifying that the tax credit does not include expenses reimbursable by insurance proceeds or disaster relief payments from government agencies or non-profit organizations;
- (2) Limiting the tax credit to \$2,000 in the aggregate for the two years during which the credit can be claimed;
- (3) Prohibiting any taxpayer who claims the tax credit from claiming any other credit for the same non-reimbursable expenses;
- (4) Inserting language to conform to standard tax credit statutes; and
- (5) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1745, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1745, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representative Carroll.

SCRep. 1606 Finance on S.B. No. 982

The purpose of this bill is to provide adequate hurricane shelter space by appropriating \$2,000,000 from the Hawaii Hurricane Relief Fund (HHRF) in each year of fiscal biennium 2005-2007 to retrofit public buildings with hurricane protective measures.

A concerned individual testified in support of this bill. A concerned individual supported this measure with an amendment. The Department of Defense supported the intent of this bill. The Board of Directors of the HHRF and Hawaii Association of Realtors opposed this measure. The Department of Budget and Finance offered comments.

Your Committee has amended this bill by:

- (1) Changing the appropriation amounts to \$1 to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 982, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 982, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representative Carroll.
(Representatives Fox, Meyer, Moses and Pine voted no.)

SCRep. 1607 Finance on S.B. No. 1394

The purpose of this bill, as received, is to support the needs of military children and families by:

- (1) Requiring the Department of Education (DOE) to consult with the Joint Venture Education Forum to establish a priority listing of public schools that are affected by a large population of military dependent students;
- (2) Directing the University of Hawaii (UH) to establish a readmission program for military personnel returning from deployment; and
- (3) Appropriating funds to DOE for additional staff, child care services, and vocational training and retraining in schools with a significant population of military dependent students.

For the purpose of receiving testimony and facilitating public discussion, your Committee circulated a proposed House draft 2. The proposed draft helps the State to maximize use of federal funds by requiring DOE, in collaboration with the Department of Human Services (DHS) and Department of Health (DOH), to establish and implement a federal revenue maximization program for all Medicaid-eligible health services that DOE provides to Hawaii's school-aged children.

The Department of Budget and Finance, DHS, and DOH testified in support of the proposed draft. DOE supported the intent of the proposed draft.

Your Committee has amended this bill by deleting and replacing its contents with the proposed House draft 2. As amended, this bill, among other things:

- (1) Requires DOE, in collaboration with DHS and DOH, to establish a federal revenue maximization program to:
 - (a) Identify Medicaid-eligible health services provided through DOE to students, directly or through contracted providers; and
 - (b) Submit claims for federal reimbursement for such services through DHS;
- (2) Requires DOH, in collaboration with DHS and DOE, to identify sources of funding, including Medicaid-eligible health services and reimbursable health services, to establish and provide school-based or school-linked health services at schools in federally designated underserved areas;
- (3) Requires DOE to:
 - (a) Procure and contract for the development, implementation, and maintenance of the federal revenue maximization program;
 - (b) Claim the maximum reimbursement allowable under Medicaid for both administrative costs and school health services arising on and after January 1, 2006; and
 - (c) File retroactive claims for the preceding eight quarters;
- (4) Requires DOE to submit regular periodic reports to the Legislature;
- (5) Takes effect on July 1, 2020; and
- (6) Includes technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee notes that DOE suggested that it be authorized, rather than required, to:

- (1) Procure and contract for the development, implementation, and maintenance of the federal revenue maximization program;
- (2) Claim the maximum reimbursement allowable under Medicaid for both administrative costs and school health services arising on and after January 1, 2006; and
- (3) File retroactive claims for the preceding eight quarters.

DOE also raised concerns regarding the need for an appropriation to allow DOE to retain and expend federal Medicaid revenues that may be claimed and received within the next fiscal year.

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. 1394, 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. 1394, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Carroll.

SCRep. 1608 Finance on S.B. No. 1729

The purpose of this bill is to improve the management of the Hawaii Tourism Authority (HTA) and to increase funding for tourism-related programs by:

- (1) Adding the Executive Director of the Hawaii State Foundation on Culture and the Arts (HSFCA), as an ex officio nonvoting member, to the Board of Directors of HTA (Board);
- (2) Clarifying that HTA is authorized, through its Executive Director, to provide for the appointment of officers, agents, and employees, subject to the approval of the Board; provided that:
 - (A) The Governor and executive agencies shall limit their oversight of HTA's hiring of personnel to those times when HTA receives general funds from the State; and
 - (B) There is no anticipated revenue shortfall in the Tourism Special Fund (TSF) and that funds have been appropriated by the Legislature and allotted as provided by law;
- (3) Placing the TSF and Convention Center Enterprise Special Fund (CCESF) outside the state treasury;
- (4) Allowing funds in the TSF and CCESF to be placed in interest-bearing accounts or otherwise invested by HTA until needed, subject to certain limitations;
- (5) Increasing the allocation of transient accommodations tax (TAT) collections to the TSF to 35.4 percent and requiring that 0.5 percent of this allocation be used to provide funding for an Aloha Aina Patrol and a visitor assistance program established in each county;

- (6) Increasing the limit on funds deposited in the CCESF to \$35,000,000;
- (7) Repealing the TAT Trust Fund;
- (8) Repealing the existing allocation of TAT collections to the State Parks Special Fund (SPSF) and the Special Land and Development Fund (SLDF) and allocating one percent of TAT collections as follows:
 - (A) Ninety percent to be deposited into the SPSF; and
 - (B) Ten percent to be deposited into the SLDF for the Hawaii Statewide Trail and Access Program;

to be expended by the Department of Land and Natural Resources (DLNR) as designated by a plan approved by HTA; and
- (9) Depositing 1.5 percent of TAT collections into the general fund.

HTA, HSFCA, and the Hawaii Hotel & Lodging Association supported this bill. DLNR supported the intent of this measure. The Department of Budget and Finance and the Department of Business, Economic Development, and Tourism opposed this bill. The Department of Taxation, Attorney General, and the Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Changing the limit on funds deposited in the CCESF to an unspecified amount;
- (2) Changing the percentage allocations of TAT collections to the TSF, Aloha Aina patrol and visitor assistance program for each county, SPSF, SLDF, and the general fund to unspecified amounts;
- (3) Changing its effective date to July 1, 2010, to promote further discussion; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1729, 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. 1729, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Carroll.

SCRep. 1609 Finance on S.B. No. 682

The purpose of this bill is to improve tobacco regulation by:

- (1) Requiring businesses engaged in the retail sale of cigarettes and other tobacco products to obtain a retail tobacco permit from the Department of Taxation (DOTAX);
- (2) Requiring payment of a \$39 fee for each retail tobacco permit;
- (3) Establishing criminal offenses for the retail sale of cigarettes and other tobacco products without a valid retail tobacco permit;
- (4) Providing that any cigarette or tobacco product unlawfully sold, possessed, kept, stored, acquired, distributed, or transported may be seized and ordered forfeited; and
- (5) Appropriating:
 - (A) \$37,000 out of the Tobacco Enforcement Special Fund to be transferred to DOTAX to establish and administer the licensing and permitting of tobacco and cigarette sales, and for other expenses incurred by DOTAX in carrying out the provisions of this bill; and
 - (B) \$85,732 in general funds for DOTAX to administer the licensing and permitting of tobacco and cigarette sales.

Several concerned individuals supported this bill. Several concerned individuals supported the intent of this measure.

Your Committee distributed a proposed draft of this bill for public consideration. The Attorney General and Department of Health supported the proposed draft. The American Cancer Society, American Heart Association, and Coalition for a Tobacco Free Hawaii supported the intent of the proposed draft. The Department of Budget and Retail Merchants of Hawaii opposed the proposed draft. DOTAX and the Tax Foundation of Hawaii offered comments on the proposed draft. The Hawaii Food Industry supported the bill as referred to your Committee but opposed the proposed draft.

Your Committee recognizes that the provisions of this bill will shift the penalties for illegal sale of tobacco products from retail employees to retail employers.

Your Committee has amended this measure by:

- (1) Deleting the appropriations for DOTAX;
- (2) Changing the fee for retail tobacco permits to an unspecified amount;

- (3) Specifying that of the moneys collected from the issuance of retail tobacco permits that exceed the costs of administering the permit requirements:
 - (A) Fifty percent shall be appropriated to the John A. Burns School of Medicine; and
 - (B) Fifty percent shall be appropriated to the Department of Human Services for the Children's Health Insurance Program;and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 682, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 682, S.D. 2, H.D. 3.

Signed by all members of the Committee except Representative Carroll.

SCRep. 1610 Finance on S.B. No. 1780

The purpose of this bill is to continue to support the role of fathers in raising children by:

- (1) Extending the sunset date for the State Commission on Fatherhood (Commission) to June 30, 2007;
- (2) Transferring the Commission from the Office of the Lieutenant Governor to the Department of Human Services (DHS); and
- (3) Appropriating funds to carry out the purposes of the Commission.

DHS, the Commission, and Hawaii Coalition for Dads testified in support of this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1780, 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. 1780, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Tsuji.

SCRep. 1611 Finance on S.B. No. 673

The purpose of this bill is to provide funds to pay for judgements, settlements, and other miscellaneous claims against the State.

The Attorney General supported this bill and requested amendments.

Your Committee has amended this measure by:

- (1) Inserting two additional settlements that were recently completed;
- (2) Deleting a reference to a civil case number for the Enterprise Rent-A-Car claim under the Department of Transportation, Highways Division; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 673, 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. 673, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Chong.

SCRep. 1612 Finance on S.B. No. 617

The purpose of this bill is to support the Court Interpreting Services Program's educational services and activities related to the training, screening, testing, and certification of court interpreters by:

- (1) Establishing the Court Interpreting Services Revolving Fund (Revolving Fund); and
- (2) Exempting the Revolving Fund from the central service expenses assessment and the pro rata share of administrative expenses for special funds.

The Judiciary and the Hawaii Interpreter Action Network testified in support of this bill. The Department of Budget and Finance provided comments.

Your Committee has amended this measure by:

- (1) Removing the Revolving Fund's exemptions from the central service expenses assessment and the pro rata share of administrative expenses for special funds;
- (2) Appropriating an unspecified amount of funds out of the Revolving Fund for fiscal year 2005-2006 and fiscal year 2006-2007; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 617, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 617, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representative Chong.

SCRep. 1613 Finance on S.B. No. 1843

The purpose of this bill is to promote fairness in the long-term relationships between the government and contractors that provide construction design professional services (contractor) by:

- (1) Prohibiting the State from requiring the contractor to indemnify the State for the State's negligence; and
- (2) Allowing the State to require the contractor to indemnify the State for the contractor's negligence.

American Institute of Architects – Hawaii State Council; Hawaii Island Contractors' Association; Coalition of Hawaii Engineering and Architectural Professionals; American Society of Civil Engineers – Hawaii Section; Hawaii Society of Professional Engineers; American Council of Engineering Companies of Hawaii; Fukunaga & Associates, Inc.; Hawaii Pacific Engineers, Inc.; Masa Fujioka & Associates; KAI Hawaii, Inc.; Engineering Concepts, Inc.; Engineering Solutions, Inc.; Earth Tech, Inc.; Austin, Tsutsumi & Associates, Inc.; Cedric D. O. Chong & Associates, Incorporated; ECS, Inc.; Shigemura, Lau, Sakanashi, Higuchi and Associates, Inc.; Clayton J. Wong & Associates, Inc.; Consulting Structural Hawaii, Inc.; and several concerned individuals supported this bill. BIA-Hawaii supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2010, to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1843, 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. 1843, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Carroll.

SCRep. 1614 Finance on S.B. No. 1038

The purpose of this bill is to encourage the continued promotion and development of a professional procurement workforce, improvement of contract opportunities for private sector contractors, and promotion of excellence in procurement accountability and administration for the public sector by:

- (1) Removing the Hawaii Procurement Institute (HPI) from the State Procurement Office's oversight by placing HPI within the University of Hawaii as an independent program within the William S. Richardson School of Law (UH); and
- (2) Establishing and appropriating funds for HPI at UH.

The Department of Accounting and General Services, UH, Chamber of Commerce of Hawaii, General Contractors Association of Hawaii, Coalition of Hawaii Engineering & Architectural Professionals, Environet, Inc., Hawaii Procurement Institute's Education Committee, and several concerned individuals supported this bill. The State Procurement Office provided comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2010, to encourage further discussion; and
- (2) Making technical, nonsubstantive changes for 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. 1038, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1038, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Carroll and Nishimoto.

SCRep. 1615 Finance on S.B. No. 1592

The purpose of this bill is to improve the long-term planning of Hawaii's future by:

- (1) Establishing a temporary Hawaii 2050 Task Force (Task Force) to review the Hawaii State Plan and other fundamental components of community planning, and to develop and report recommendations for the creation of the Hawaii 2050 Sustainability Plan as a guide for the future long-term development of the state;
- (2) Requiring the Auditor, after receipt of the Task Force's report, to prepare the Hawaii 2050 Sustainability Plan to define and implement state goals, objectives, policies, and priority guidelines, incorporating some or all of the recommendations of the Task Force; and
- (3) Requiring the Housing and Community Development Corporation of Hawaii (HCDCH) to certify projects that meet the requirements of an affordable housing project.

Maui Land & Pineapple Company, Inc., Windward Ahupua'a Alliance, Hawaii Island Economic Development Board, Inc., Sustain Hawaii, and several concerned individuals supported this bill. The Department of Business, Economic Development, and Tourism, Office of Planning, and HCDCH supported the intent of this measure. The Department of Community Services of the City and County of Honolulu offered comments.

Your Committee has amended this measure by:

- (1) Deleting the provision requiring HCDCH to certify projects that meet the requirements of an affordable housing project; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1592, 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. 1592, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Chong.
(Representative Meyer voted no.)

SCRep. 1616 Finance on S.B. No. 1721

The purpose of this bill is to promote cultural awareness and stimulate business and commercial activities, particularly for local farmers, businesses, manufacturers, artists, and entertainers, by establishing a permanent state cultural public market on at least ten acres of state-owned land within the Kakaako Makai area of the Kakaako Community Development District.

The Hawaii Farm Bureau Federation and a concerned individual supported this bill. The ARTS at Marks Garage opposed this bill. The Department of Business, Economic Development, and Tourism and the Hawaii Community Development Authority offered comments.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2010, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1721, 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. 1721, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Carroll.
(Representatives Fox and Moses voted no.)

SCRep. 1617 Finance on S.B. No. 708

The purpose of this bill is to enhance public safety by amending the law regarding public access to registration information of sex offenders and persons convicted of certain offenses against children. Specifically this bill, among other things:

- (1) Establishes separate registries for sex offenders and offenders against children;
- (2) Allows certain offenders to petition a court in a civil proceeding for termination of registration requirements and public access to registration information, and establishes legal presumptions, based on offenses, for these proceedings;
- (3) Provides that a covered offender who is a sexually violent predator, aggravated sex offender, or repeat covered offender may petition a court in a civil proceeding for termination of registration requirements, if the offender has substantially complied with registration requirements for 40 years;
- (4) Specifies that the standard of proof for a covered offender petitioning a court for termination of public access of registration information is a preponderance of the evidence, rather than clear and convincing evidence;
- (5) Provides that a denial by a court of a petition to terminate public access to registration information precludes the filing of another petition for five years from the date of the last denial;

- (6) Clarifies the scope of offender registration information and permitted disclosures of this information;
- (7) Extends from three working days to ten, the amount of time that a covered offender has to notify in writing the Attorney General or the Hawaii Criminal Justice Data Center of a change of any of the offender's registration information;
- (8) Repeals the provision requiring the State to petition a court in a civil proceeding for the public release of sex offender information;
- (9) Specifies the methods of providing public access to offender information, based on offenses;
- (10) Provides that the provisions of this measure will have retroactive application; and
- (11) Appropriates \$115,000 for fiscal year 2005-2006, for state and county agencies to hire necessary staff to implement the new provisions.

The Department of Public Safety, Attorney General, Department of the Prosecuting Attorney – City and County of Honolulu, Honolulu Police Department, Office of the Prosecuting Attorney – County of Kauai, Office of the Prosecuting Attorney – County of Hawaii, Sex Abuse Treatment Center, YWCA of Hawaii Island, Hawaii Catholic Conference, and Hawaii Family Forum supported this bill. A concerned individual supported this measure with amendments. The Office of the Public Defender opposed this bill.

Your Committee has amended this bill by:

- (1) Changing the amount appropriated to carry out the purposes of this bill to \$1, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 708, 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. 708, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Chong.

SCRep. 1618 Finance on S.B. No. 738

The purpose of this bill is to allow the Board of Trustees of the Employees' Retirement System (ERS), under certain circumstances, to compromise or settle claims or potential claims for benefits by ERS members who detrimentally rely on erroneous information provided by ERS. A compromise or settlement would be allowed with the approval of the Attorney General (AG) and under the following circumstances:

- (1) The claim arises from a written representation made to a member concerning the member's eligibility for ERS benefits;
- (2) The representation was made by an authorized ERS employee and was erroneous as to the amount or class of credited service to which the member was entitled;
- (3) The member retired or terminated employment or membership in ERS in good faith and reasonable reliance on the representation; and
- (4) The settlement or compromise would prevent manifest injustice.

The Board of Trustees of ERS, Department of the AG, and Hawaii State Teachers Association supported this bill. The Department of Human Resources of the City & County of Honolulu submitted comments.

Your Committee has amended this bill by changing its effective date to July 1, 2010, to encourage 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. 738, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 738, S.D. 1, H.D. 1.

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

SCRep. 1619 Finance on S.B. No. 959

The purpose of this bill is to provide a dedicated source of funding for public, educational, and governmental programming by requiring any cable operator providing cable service to Maui County to distribute the access operating fees collected from subscribers to:

- (1) A community college located in Maui County and to the Department of Education for educational programming;
- (2) The government of Maui County for governmental access programming; and
- (3) The access organization serving Maui County for public access programming.

Maui Community College and numerous concerned individuals supported this bill. The Department of Commerce and Consumer Affairs, Office of Hawaiian Affairs, a member of the Maui County Council, Akaku: Maui Community TV, Methuen Community Television, Midpeninsula Community Media Center, Malden Access Television, Hui Malama Learning Center, ACM Western States Region, Society of Professional Journalists-Hawaii Chapter, The Santa Barbara Channels, Community Television of Santa Cruz County, Thurston Community Television, and numerous concerned individuals opposed this bill. The Alliance for Community Media and two concerned individuals offered comments.

Your Committee has amended this measure by deleting its contents and inserting the substance of part II of H.B. No. 784, H.D. 2. As amended, this bill appropriates funds from the Compliance Resolution Fund Cable Television for infrastructure upgrades to telecommunications systems within the Department of Education.

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. 959, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 959, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representative Carroll.

SCRep. 1620 Finance on S.B. No. 813

The purpose of this bill is to assist unemployed individuals and to support efforts to develop a skilled workforce by:

- (1) Authorizing the use of Reed Act funds to provide unemployment insurance (UI) benefits and for the administration of the State's UI system, including its public employment offices; and
- (2) Allocating \$20,000,000 of the \$31,000,000 in Reed Act funds to improve the services of the UI Division and Workforce Development Division of the Department of Labor and Industrial Relations (DLIR); provided that:
 - (A) \$6,000,000 be allocated to the four county workforce investment boards for, among other things, employer outreach services, labor force pool expansion, and capacity building; and
 - (B) \$1,000,000 be allocated to Leeward Community College (LCC) for education and job training for immigrants from the Freely Associated States pursuant to the Workforce Development Program established under Act 225, Session Laws of Hawaii 2004.

DLIR, the Department of Community Services of the City and County of Honolulu, Hawaii State Teachers Association, ILWU Local 142, Samoan Service Providers Association, and University of Hawaii testified in support of this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 813, 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. 813, S.D. 2, H.D. 2.

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

SCRep. 1621 Finance on S.B. No. 1816

The purpose of this bill is to reduce substance abuse among students by:

- (1) Providing that a student must be assessed by a certified substance abuse treatment counselor or professional qualified pursuant to chapter 431M, Hawaii Revised Statutes (HRS), prior to being excluded from school for a substance abuse violation;
- (2) Specifying that follow-up counseling and other student services must be provided to a child who has been assessed for a school substance abuse violation as not needing treatment for substance abuse or dependency;
- (3) Establishing a task force to review the process by which a child who violates the zero tolerance policy for drugs and alcohol in public schools is referred for assessment and treatment of substance abuse and excluded from school; and
- (4) Appropriating \$400,000 for fiscal year 2005-2006, for student assessments by certified substance abuse treatment counselors or professionals qualified pursuant to chapter 431M, HRS.

Hina Mauka, the Hawaii Juvenile Justice Project, and a concerned individual supported this bill with amendments. The Department of Health, Department of Education, and The Drug Policy Action Group supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Changing the appropriation to \$1; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1816, 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. 1816, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Chong.

SCRep. 1622 Finance on S.B. No. 807

The purpose of this bill is to adjust certain statutorily established salaries of various department heads and deputy positions, including the:

- (1) Chief Election Officer;
- (2) Auditor;
- (3) Legislative Reference Bureau Director;
- (4) Chairperson of the Hawaii Labor Relations Board;
- (5) Ombudsman;
- (6) Administrator of the State Procurement Office;
- (7) Stadium Authority Manager;
- (8) Vice-director of Civil Defense;
- (9) Deputy for Water Resource Management;
- (10) Executive Director of the Housing and Community Development Corporation of Hawaii;
- (11) Public Utilities Commission Chairperson;
- (12) Recycling Coordinator;
- (13) Director of the Executive Office on Aging;
- (14) Chairperson of the Hawaii Paroling Authority;
- (15) Director of the Office of Veterans' Services;
- (16) Labor and Industrial Relations Appeals Board Chairperson;
- (17) Executive Director of the Office of Community Services;
- (18) Commissioner of Financial Institutions; and
- (19) State Public Defender.

The Department of Human Resources Development, Department of Budget and Finance, Labor & Industrial Relations Appeals Board, Hawaii Paroling Authority, Office of the Auditor, Office of the Ombudsman, Legislative Reference Bureau, Advisory Board on Veterans Services, and Department of the Attorney General testified in support of this bill. The Department of Health, Department of Defense, and Public Utilities Commission supported the intent of this measure. The Housing and Community Development Corporation of Hawaii Board of Directors 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. 807, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Carroll.

SCRep. 1623 Finance on S.B. No. 1114

The purpose of this bill is to promote energy-efficiency by establishing a tax credit for eligible energy storage systems installed after December 31, 2004, upon meeting certain conditions.

Kamehameha Schools, Maryknoll School, Iolani School, Hawaii Association of Independent Schools, Plumbing & Mechanical Contractors Association of Hawaii, Building Industry Association-Hawaii, Hawaiian Electric Company, Hawaii Electric Light Company, Maui Electric Company, Off-Peak/Elite Energy Group, LCC, and a concerned individual testified in support of this bill. The Department of Business, Economic Development, and Tourism supported the intent of this measure. The Department of Taxation and Tax Foundation of Hawaii provided comments.

Your Committee finds that although the use of alternative energy technologies moves the State towards a more sustainable future, the primary focus of any energy policy of the State should be to lessen its dependence upon fossil fuel consumption.

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. 1114, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Tsuji.

SCRep. 1624 Finance on S.B. No. 1081

The purpose of this bill is to protect Puhala Marsh as the largest remaining wetland habitat in Pearl Harbor, by appropriating funds to develop an education and job training center on property adjacent to Puhala Marsh for wetland education and research.

No testimony was received for 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. 1081, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Tsuji.

SCRep. 1625 Finance on S.B. No. 440

The purpose of this bill is to strengthen the campaign spending law by, among other things:

- (1) Prohibiting campaign fundraising on state or county property, except for government facilities permitting political use, and providing that a violation of this prohibition is a misdemeanor;
- (2) Limiting contributions from nonresident individuals and persons, including a noncandidate committee, to no more than 30 percent of the total contributions received by a candidate or candidate's committee during an election period;
- (3) Repealing the Campaign Spending Commission's (CSC) authority to censure candidates who fail to comply with the code of fair campaign practices;
- (4) Reducing from ten years to four years the length of time that the county clerks must keep campaign reports;
- (5) Requiring candidates for the Senate, House of Representatives, and Office of Hawaiian Affairs (OHA) to file reports electronically with the CSC, except under certain conditions;
- (6) Providing that an elected official, who is seeking re-election to the same office in successive elections and has not sought election to any other office during the period between elections, is not required to file an organizational report unless the candidate is required to report a change in information under section 11-196(b), Hawaii Revised Statutes (HRS);
- (7) Repealing the provision allowing candidates or candidates' committees to make contributions from their campaign fund to community and charitable organizations;
- (8) Reducing from \$2,000 to \$250, the maximum aggregate amount a person or any other entity may contribute to a candidate for a two-year office during an election period;
- (9) Reducing from \$6,000 to \$500, the maximum aggregate amount that a person or any other entity may contribute to a candidate for a four-year office during an election period;
- (10) Limiting contributions made by any person or entity to no more than \$25,000 in the aggregate to any number of candidates in an election period, except for loans made to a candidate by a financial institution in the ordinary course of business;
- (11) Requiring any excess contributions to be returned to the original donor within 30 days of receipt, or, if not returned to the original donor, to escheat to the Hawaii Election Campaign Fund (Campaign Fund);
- (12) Reducing from \$50,000 to \$25,000, the maximum aggregate amount that a national political party may contribute to a political party in any two-year election period;
- (13) Prohibiting government contractors from making or promising political contributions at any time between the execution and the completion of a government contract, or to knowingly solicit any contribution for any purpose during any election period;
- (14) Establishing that contributions shall be used for the office sought by the candidate and not for use in an election for any other state, county, or federal office without first obtaining the donor's written consent;
- (15) Prohibiting deposits of campaign contributions unless relevant information, including the amount and date of the contribution and the identity of the donor, is filed with CSC;
- (16) Requiring candidates, committees, and individuals who do not file nomination papers for an election or who cease to be candidates or committees, to return all contributions by a specified time, or the contributions will escheat to the Campaign Fund;
- (17) Increasing from \$100 to \$1,500, the maximum amount of public funds available to a candidate for OHA in any election year;

- (18) Specifying that campaign contributions to qualify for receipt of public campaign funds be received from individual residents of Hawaii only;
- (19) Prohibiting candidates for special elections from receiving public campaign funding;
- (20) Providing that a candidate who raises qualifying campaign contributions once in an election period is entitled to receive for each election:
- (A) The minimum payment of public campaign funds in an amount equal to the qualifying campaign contributions; and
- (B) \$2 in public campaign funds for every \$1 raised in excess of the minimum amount of qualifying campaign contributions,
- up to the maximum amount of public funds available to the candidate under section 11-218, HRS; and
- (21) Making it a class C felony to knowingly or intentionally falsify any campaign report or to violate campaign laws relating to contributions made anonymously or under a false name.

CSC and the Hawaii State Teachers Association testified in support of this bill. The League of Women Voters of Hawaii supported the intent of this measure. The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, and a concerned individual opposed this bill. The Attorney General and several concerned individuals 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. 440, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Chong.
(Representative Meyer voted no.)

SCRep. 1626 Finance on S.B. No. 791

The purpose of this bill is to provide therapeutic and rehabilitative services in a residential setting and ensure that housing is available for individuals recovering from substance abuse by allowing the Department of Health (DOH) to license special treatment facilities and therapeutic living programs.

The Office of the Lieutenant Governor, DOH, and Department of Planning and Permitting of the City and County of Honolulu testified in support of this bill. The Hawaii Disability Rights Center and Oxford House, Inc., 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. 791, S.D. 2, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Carroll.

SCRep. 1627 Finance on S.B. No. 486

The purpose of this bill is to establish safe, structured learning environments for children and youth during nonschool-hours by appropriating funds for nonschool-hour programs for them.

No testimony was received for 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. 486, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Tsuji and Fox.

SCRep. 1628 Finance on S.B. No. 1620

The purpose of this bill is to appropriate funds for various health and human services programs.

The Judiciary, Kalihi-Palama Health Center, ILWU Local 142, The Sex Abuse Treatment Center, Hawaii Primary Care Association, Hawaii Youth Services Network, Catholic Charities Hawaii, Waikiki Community Center, Queen's Health Systems, Waianae Coast Comprehensive Health Center, Papa Ola Lokahi, Save the FoodBasket, Inc., Hepatitis Hale Treatment & Support Program, Hepatitis Prevention, Education, Treatment, and Support Network of Hawaii, and numerous concerned citizens supported this bill. The Representative of the 45th District supported this measure with amendments. The Department of Human Services opposed this bill. The Department of Budget and Finance and Office of Youth Services 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. 1620, S.D. 2, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Chong.
(Representative Moses voted no.)

SCRep. 1629 Finance on S.B. No. 1877

The purpose of this bill is to improve land use and state planning by:

- (1) Clarifying that the Department of Business, Economic Development, and Tourism (DBEDT) has sole jurisdiction over certain land use and state planning functions;
- (2) Requiring the Office of Planning to report to DBEDT and directly to no other principal executive department; and
- (3) Requiring the Director of the Office of Planning to be nominated by the Governor and appointed by the Governor with the advice and consent of the Senate.

Hawaii's Thousand Friends and two concerned individuals testified in support of this bill. The Native Hawaiian Legal Corporation supported this measure with amendments. DBEDT and the Office of Planning opposed this bill. The University of Hawaii Environmental Center submitted comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1877, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Carroll.
(Representatives Fox, Moses and Pine voted no.)

SCRep. 1630 Finance on S.B. No. 1876

The purpose of this bill is to encourage flexibility in highway design that will ensure road and bridge projects meet the State's transportation needs as well as the interests of surrounding communities. This measure also requires the Department of Transportation (DOT) to develop new design guidelines for road and bridge projects that address and balance appropriate financial, political, social, and economic policy concerns, including safety, cost-effectiveness, and environmental, aesthetic, and cultural preservation.

The Mayor of Maui County, Maui County Cultural Resources Commission, and numerous concerned individuals testified in support of this bill. Hanalei Roads Committee and a concerned individual supported this bill with amendments. DOT opposed this measure. The Department of the Attorney General and Consumer Lawyers of Hawaii offered comments.

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

- (1) Establishing in statute DOT's authority to select and apply flexible highway design guidelines consistent with practices used by the Federal Highway Administration and the American Association of State Highway Transportation Officials;
- (2) Specifying the factors which DOT must consider in establishing flexible highway design guidelines;
- (3) Establishing in purpose and in statute that the application of flexible highway design shall not give rise to a cause of action or claim against the State, DOT, the counties, or any officer, employee, or agent of the State, DOT, the counties, or a public utility regulated under chapter 269, Hawaii Revised Statutes (HRS), that places its facilities within the highway right of way;
- (4) Requiring the Director of DOT to establish a process to address flexible highway design when considering improvements on certain specified highways;
- (5) Changing the effective date to July 1, 2010, to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for clarity and style.

Your Committee notes that this measure is being amended to make it explicit that the State is immune from liability for the decision to use alternative guidelines, and therefore not subject to existing requirements, such as section 663-10.9(4), HRS, for roadway liability. This exception from liability, however, applies only to the decision to use alternative guidelines. The State must continue to comply with section 663-10.9, HRS, and other existing requirements regarding the actual design, construction, maintenance, and repair of roadways.

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. 1876, 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. 1876, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Chong.

SCRep. 1631 Finance on S.B. No. 802

The purpose of this bill is to establish a State Pharmacy Assistance Program (SPAP) within the Department of Human Services (DHS) to assist eligible elderly and disabled individuals in defraying the cost of prescriptions under the new federal Medicare part D drug benefit program.

DHS, the Department of Health, and the Department of the Attorney General testified in support of this bill.

DHS provided a proposed draft of this measure that includes amendments in response to the recent release of new rules and regulations from the Centers for Medicare and Medicaid Services (CMMS).

The amendments include, among other things:

- (1) A definition of "full coverage prescription drug benefit";
- (2) A provision that the SPAP may be established only if there are no federally approved prescription drug plans available in the State that provide a full coverage prescription drug benefit;
- (3) Deletion of enrollment priorities of eligible individuals into the SPAP;
- (4) Deletion of the provision requiring DHS to require pharmaceutical companies to provide Medicaid-level rebates, and replacement of that language with a negotiable feature;
- (5) Removal of the SPAP eligibility requirement that a person must not be a member of a Medicare advantage plan that provides prescription drug benefits;
- (6) Limitation of SPAP payments for eligible persons to co-payments required under the federal Medicare part D pharmacy benefit program; and
- (7) Creation of an SPAP special fund.

Your Committee notes that the amendments proposed by DHS did not receive prior concurrence from the previous subject matter committees. However, due to the recent release of new rules and regulations from CMMS, DHS has asked that the amendments be made to comply with the new CMMS rules and regulations. Your Committee has, therefore, amended this bill by incorporating the aforementioned amendments from the proposed draft to move the measure to conference and continue discussion.

Your Committee has further amended this bill by:

- (1) Appropriating unspecified amounts from the SPAP special fund for fiscal years 2005-2006 and 2006-2007 to carry out the purposes of this measure;
- (2) Changing the effective date to July 1, 2010, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 802, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 802, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representative Tsuji.

SCRep. 1632 Finance on S.B. No. 179

The purpose of this bill is to address Hawaii's critical affordable housing and homelessness problem by, among other things:

- (1) Providing flexibility to the counties in their land use density restrictions to allow for the development of low-income housing rentals;
- (2) Establishing a general excise tax exemption for developers of certified housing projects when:
 - (a) At least 50 percent of the available units are for households with incomes at or below 80 percent of the median family income; and
 - (b) At least 20 percent are for households with incomes at or below 60 percent of the median family income;
- (3) Providing that through June 29, 2010, the Rental Housing Trust Fund (RHTF) loans and grants to developers may be provided when 50 percent or more of the available units are for persons with incomes at or below 80 percent, instead of 60 percent, of the median family income;
- (4) Requiring ten percent of general excise taxes on residential rentals to be deposited into the RHTF;
- (5) Establishing a sliding scale for the payment of conveyance taxes;
- (6) Exempting from the conveyance tax, conveyances by nonprofit organizations certified for low-income housing development;
- (7) Increasing the amount of conveyance taxes transferred into the RHTF from 25 to 50 percent;
- (8) Appropriating general revenue funds into the RHTF;
- (9) Declaring a moratorium on demolition of decommissioned public housing until it can be determined whether or not to rehabilitate them;
- (10) Offering decommissioned public housing that will not be rehabilitated by the Housing and Community Development Corporation of Hawaii (HCDCH) to nonprofit entities or government agencies for rehabilitation into emergency transitional shelter facilities or rental units;
- (11) Appropriating general revenue funds for the expansion of emergency and transitional shelter facilities serving the homeless upon meeting certain conditions;

- (12) Refocusing HCDCH's housing developments on lower cost housing projects serving only persons with incomes 140 percent or less of the area median income;
- (13) Splitting HCDCH into two entities:
 - (a) The Hawaii Public Housing Administration (HPHA) to perform the function of developing and maintaining public housing; and
 - (b) The Hawaii Housing Finance and Development Administration (HHFDA) to perform the function of housing financing and development;
- (14) Establishing the Public Housing Revolving Fund;
- (15) Repealing the RHTF Advisory Commission; and
- (16) Establishing a Legislative Affordable Rental Housing and Homeless Task Force.

Kauai Economic Opportunity, Incorporated, The Nature Conservancy of Hawaii, Maui Land & Pineapple Company, Inc., and a concerned individual testified in support of this bill. The Governor's Office, HCDCH, Land Use Research Foundation of Hawaii, and Hawaii Community Reinvestment Corporation supported the intent of this measure. The Department of Taxation, a member of the Maui County Council, Hawaii Association of Realtors, and Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Clarifying the application of county land use density provisions for low-income rental housing;
- (2) Moving the general excise tax exemption provisions from chapter 237, Hawaii Revised Statutes (HRS) to section 201G-116, and authorizing HCDCH to establish and collect service fees, if necessary, in connection with the approval and certification process;
- (3) Further clarifying the provisions for RHTF loans and grants and establishing an order of priority in which the loans and grants may be provided;
- (4) Including provisions for mixed finance development of public housing units;
- (5) Deleting the requirement that at least one-third of construction funds be used for rental units for families with incomes less than 30 percent of the median income and replacing it with a requirement that HCDCH's yearly report describe its efforts to develop such rental housing projects, describe the proposals submitted and action taken on them, and the barriers to the development of units for this target group;
- (6) Making it a priority for HCDCH to fund rental housing projects that provide:
 - (a) At least five percent of the total number of units for persons and families with incomes at or below 30 percent of the median family income; and
 - (b) A maximum number of units for persons or families with incomes at or below 80 percent of the median family income;
- (7) Increasing the low-income housing tax credit to 50 percent of the applicable percentage of the qualified basis of each building located in Hawaii;
- (8) Removing the requirement that ten percent of general excise taxes imposed on residential rentals be deposited into the RHTF;
- (9) Changing the sliding scale for payment of conveyance taxes by:
 - (a) Charging 10 cents per \$100 up to and including \$600,000 of the consideration paid and 15 cents per \$100 for consideration paid over \$600,000; and
 - (b) Charging purchasers of residential property for which the purchaser is ineligible for a county homeowner's exemption on property tax, 15 cents per \$100 up to and including \$600,000 of the consideration paid and 20 cents per \$100 for consideration paid over \$600,000;
- (10) Exempting from the conveyance tax, conveyances by for profit organizations certified for low-income housing development;
- (11) Offering decommissioned low-income public housing projects to for profit entities, in addition to nonprofit or government agencies, for rehabilitation into emergency transitional shelter facilities or rental units;
- (12) Requiring the organizations and agencies that rehabilitate decommissioned units to set aside at least 50 percent of the units to persons or families with incomes at or below 50 percent of the area median family income;
- (13) Inserting an appropriation of \$1,650,000 for the expansion of emergency and transition shelter facilities for the homeless;
- (14) Inserting provisions that HCDCH interim loans may be secured by first or second mortgages;

- (15) Authorizing funds in the Dwelling Unit Revolving Fund to be used for expenses related to permanent primary or secondary financing, and low-income housing tax credits;
- (16) Amending the provisions establishing HHFDA by, among other things:
 - (a) Removing references to "public" housing projects;
 - (b) Adding definitions of "trustee" and "trust indenture";
 - (c) Amending provisions relating to the composition of the Board of Directors;
 - (d) Requiring HHFDA to develop and maintain a Housing Advocacy and Information System;
 - (e) Authorizing HHFDA to provide housing counseling services;
 - (f) Authorizing HHFDA to designate an agent to exercise its powers;
 - (g) Increasing the amount of public land that HHFDA may develop in agricultural districts without Land Use Commission approval from five acres or less to 15 acres or less;
 - (h) Authorizing HHFDA to execute public works contracts;
 - (i) Providing remedies of an obligee; and
 - (j) Requiring HHFDA to issue quitclaim deeds and leases;
- (17) Making various amendments to the transfer of functions of and references in HRS to HCDCH to HHFDA and HPHA;
- (18) Amending provisions relating to the composition of the HPHA Board of Directors;
- (19) Expanding the composition and scope of the legislative task force;
- (20) Inserting provisions allowing HCDCH funds to be expended by the Department of Budget and Finance in the event of federal action prior to the effective date of the separation of HCDCH;
- (21) Changing the effective date to July 1, 2005, except for provisions relating to the separation of HCDCH, which shall be effective July 1, 2007, and repealing amendments to the RHTF law on June 30, 2010; and
- (22) Making technical, nonsubstantive amendments for 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. 179, 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. 179, S.D. 3, H.D. 2.

Signed by all members of the Committee except Representative Carroll.

SCRep. 1633 Finance on S.B. No. 212

The purpose of this bill is to appropriate funds to the Commission on Water Resource Management for data collection, monitoring, planning, and water management needs mandated under chapter 174C, Hawaii Revised Statutes, particularly the Hawaii Water Plan.

Prior to the hearing of this measure, a proposed House Draft 2 was made available to all interested parties and the general public for review. The purpose of the proposed draft is to support and improve the deposit beverage container program that was established under Act 176, Session Laws of Hawaii 2002, by encouraging the establishment of redemption centers at more convenient locations. Specifically, the proposed draft:

- (1) Provides a deposit beverage container redemption center (redemption center) tax credit of up to \$50,000 per year for qualifying costs incurred and paid by an eligible taxpayer during the taxable year to purchase, lease, or operate a redemption center;
- (2) Directs the Department of Health (DOH) to establish a grant program to provide a maximum grant of \$125,000 per organization to assist in developing redemption centers; and
- (3) Appropriates funds out of the Deposit Beverage Container Deposit Special Fund to support the tax credit and grant program.

The Sierra Club-Hawaii Chapter supported the proposed draft. The Hawaii Food Industry Association and Retail Merchants of Hawaii supported the intent of the proposed draft. DOH, Department of Taxation, and Legislative Center opposed the proposed draft. The Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Deleting its contents and replacing it with the contents of the proposed House Draft 2;
- (2) Removing specific tax credit, grant, and appropriation amounts; and

- (3) Changing the effective date to July 1, 2010, to allow further discussion of the bill.

Your Committee wishes to note that some concerns were raised during the hearing regarding the grant program proposed by this measure. Specifically, it was hypothesized that organizations without proper experience may receive grants and then quickly go out of business.

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. 212, 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. 212, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Carroll.

SCRep. 1634 Finance on S.B. No. 962

The purpose of this bill is to expand and improve fair labor practices to all projects in which the government is involved by specifying exactly what defines a public works project, thereby requiring payment of prevailing wages by the contractor and subcontractors to all laborers and mechanics working on the project.

The Hawaii Carpenters Union supported this bill. The Department of Accounting and General Services (DAGS), Department of Labor and Industrial Relations (DLIR), Department of Taxation (DOTAX), and Building Industry Association of Hawaii, opposed this bill.

Your Committee has amended this bill by:

- (1) Adding a new category of construction contracts: "indirect public works project";
- (2) Defining "indirect public works project" as those public works projects that receive a government benefit from:
 - (A) A State tax credit over \$5,000 per year;
 - (B) A General Excise Tax exemption;
 - (C) A county tax exemption;
 - (D) Use of state or county land;
 - (E) A lease to the State or county of part of the property provided:
 - (1) The lease was made before the construction contract became effective; or
 - (2) Construction was according to government plan or specifications;
- (3) Establishing a system of certification by state or county agency that a project is in fact an "indirect public works project" and that it meets the prevailing wage requirements;
- (4) Mandating the Department of Taxation to recapture 100 percent of tax credits paid or cancel payment on a claimed tax credit if prevailing wages are not paid and including a discretionary waiver of this provision when the lack of paying prevailing wages was unintentional and not wilful;
- (5) Establishing enforcement authority over indirect public works projects by the state or appropriate county agency;
- (6) Establishing monitoring by DLIR to ensure continued compliance with prevailing wage requirements;
- (7) Providing DLIR with the authority to terminate work on an indirect public works project based on failure to pay agreed wages, the same as for current public works projects; and
- (8) Stipulating that the contractor will be held liable for any excess costs incurred by DLIR due to the cancellation of the contract for violation of prevailing wages payment.

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. 962, 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. 962, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Carroll.
(Representatives Fox, Meyer, Moses and Pine voted no.)

SCRep. 1635 International Affairs on H.R. No. 33

The purpose of this Resolution is to distinctly recognize native Hawaiians and other Pacific Islanders as a distinct underrepresented minority.

The State Representative from the Seventh House District testified before the committee in support of the measure. It was stated that this measure was introduced at the request of a native Hawaiian college student in response to the practice of grouping Pacific Islanders with Asians and not recognizing native Hawaiians.

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. 33 and recommends its adoption.

Signed by all members of the Committee except Representative Arakaki.

SCRep. 1636 International Affairs on H.C.R. No. 41

The purpose of this Concurrent Resolution is to distinctly recognize native Hawaiians and other Pacific Islanders as a distinct underrepresented minority.

The State Representative from the Seventh House District testified before the committee in support of the measure. It was stated that this measure was introduced at the request of a native Hawaiian college student in response to the practice of grouping Pacific Islanders with Asians and not recognizing native Hawaiians.

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. 41 and recommends its adoption.

Signed by all members of the Committee except Representative Arakaki.

SCRep. 1637 Energy & Environmental Protection on H.R. No. 135

The purpose of this measure is to request the Department of Health to refrain from rulemaking or applying any definition of "mixed" wine or "mixed spirits" under the Deposit Beverage Container Law.

Your Committee received public testimony on a proposed House draft for this measure that requests the Office of Planning to convene a sustainable natural resource development task force to develop an action plan to review and make recommendations on amending and implementing the Hawaii State Planning Act to incorporate sustainable natural resource development at all levels of government. A council member from the County of Hawaii, Sustain Hawaii, the University of Hawaii Political Science Department, the Department of Health, the Board of Land and Natural Resources, and two private citizens testified in support of the draft.

Your Committee finds that protecting Hawaii's natural resources is of paramount importance. The Hawaii State Planning Act has not been revisited since 1978 and should be examined to consider principles of sustainable development of the State's natural resources.

Your Committee has amended this measure by:

- (1) Changing its title to read, "HOUSE RESOLUTION REQUESTING THE OFFICE OF PLANNING TO CONVENE A TASK FORCE TO DEVELOP AN ACTION PLAN TO INCORPORATE SUSTAINABLE NATURAL RESOURCE DEVELOPMENT OBJECTIVES AND GOALS IN THE HAWAII STATE PLANNING ACT.";
- (2) Replacing its contents as follows:
 - (A) Requesting the Office of Planning to convene a sustainable natural resource development task force to review the Hawaii State Planning Act and develop an action plan that includes recommendations on incorporating goals and principles based on sustainable natural resource development at all levels of government;
 - (B) Requesting the Office of State Planning to submit the action plan to the Legislature no later than twenty days prior to the convening of the Regular Session of 2006;
 - (C) Providing direction on the appointment of task force members; and
 - (D) Requesting the task force to seek input from a wide spectrum of interested parties; and
- (3) Requesting various state departments and the University of Hawaii to assist the Office of Planning.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 135, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 135, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Pine and Thielen.

SCRep. 1638 Energy & Environmental Protection on H.C.R. No. 183

The purpose of this measure is to request the Department of Health to refrain from rulemaking or applying any definition of "mixed" wine or "mixed spirits" under the Deposit Beverage Container Law.

Your Committee received public testimony on a proposed House draft for this measure that requests the Office of Planning to convene a sustainable natural resource development task force to develop an action plan to review and make recommendations on amending and implementing the Hawaii State Planning Act to incorporate sustainable natural resource development at all levels of government. A council member from the County of Hawaii, Sustain Hawaii, the University of Hawaii Political Science Department, the Department of Health, the Board of Land and Natural Resources, and two private citizens testified in support of the draft.

Your Committee finds that protecting Hawaii's natural resources is of paramount importance. The Hawaii State Planning Act has not been revisited since 1978 and should be examined to consider principles of sustainable development of the State's natural resources.

Your Committee has amended this measure by:

- (1) Changing its title to read, "HOUSE CONCURRENT RESOLUTION REQUESTING THE OFFICE OF PLANNING TO CONVENE A TASK FORCE TO DEVELOP AN ACTION PLAN TO INCORPORATE SUSTAINABLE NATURAL RESOURCE DEVELOPMENT OBJECTIVES AND GOALS IN THE HAWAII STATE PLANNING ACT.";
- (2) Replacing its contents as follows:
 - (A) Requesting the Office of Planning to convene a sustainable natural resource development task force to review the Hawaii State Planning Act and develop an action plan that includes recommendations on incorporating goals and principles based on sustainable natural resource development at all levels of government;
 - (B) Requesting the Office of State Planning to submit the action plan to the Legislature no later than twenty days prior to the convening of the Regular Session of 2006;
 - (C) Providing direction on the appointment of task force members; and
 - (D) Requesting the task force to seek input from a wide spectrum of interested parties; and
- (3) Requesting various state departments and the University of Hawaii to assist the Office of Planning.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 183, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 183, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Pine and Thielen.

SCRep. 1639 Education on H.R. No. 76

The purpose of this resolution is to request the Department of Education (DOE) to conduct a study that will provide a breakdown of costs and expenses associated with providing transportation for public school students to attend summer school and extra-curricular activities.

Numerous concerned individuals testified in support of this resolution. DOE supported the intent of this measure.

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. 76 and recommends its adoption.

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

SCRep. 1640 Education on H.C.R. No. 101

The purpose of this concurrent resolution is to request the Department of Education (DOE) to conduct a study that will provide a breakdown of costs and expenses associated with providing transportation for public school students to attend summer school and extra-curricular activities.

Numerous concerned individuals testified in support of this concurrent resolution. DOE supported the intent of this measure.

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. 101 and recommends its adoption.

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

SCRep. 1641 Education on H.R. No. 21

The purpose of this resolution is to promote healthy eating habits and related cultural, environmental, and conservation education by requesting the Department of Education (DOE), Board of Education (BOE), and Hawaii Association of Independent Schools (HAIS) to consider policies that permit edible school gardens and integrate them into school curriculums.

HAIS and several concerned individuals testified in support of this resolution. DOE and the Hawaii State Teachers Association supported the intent of this measure.

Your Committee has amended this resolution by:

- (1) Amending the purpose of the measure to encourage DOE, BOE, and HAIS to evaluate the liability of and consider policies that would allow the School Community Councils the choice of establishing an edible garden program at their schools in the spirit of Act 51;

- (2) Recognizing the need for Hawaii to embrace sustainability, and the role that edible school gardens can play in promoting sustainability;
- (3) Urging DOE to request the cooperation and support of the Department of Agriculture and the University of Hawaii College of Tropical Agriculture and Human Resources; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style, including changing its title to read: "ENCOURAGING THE DEPARTMENT OF EDUCATION, BOARD OF EDUCATION, AND HAWAII ASSOCIATION OF INDEPENDENT SCHOOLS TO EVALUATE THE LIABILITY OF AND CONSIDER POLICIES THAT WOULD ALLOW THE SCHOOL COMMUNITY COUNCILS THE CHOICE OF ESTABLISHING AN EDIBLE GARDEN PROGRAM AT THEIR SCHOOLS IN THE SPIRIT OF ACT 51."

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. 21, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 21, H.D. 1.

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

SCRep. 1642 Education on H.C.R. No. 18

The purpose of this concurrent resolution is to promote healthy eating habits and related cultural, environmental, and conservation education by requesting the Department of Education (DOE), Board of Education (BOE), and Hawaii Association of Independent Schools (HAIS) to consider policies that permit edible school gardens and integrate them into school curriculums.

HAIS and several concerned individuals testified in support of this concurrent resolution. DOE and the Hawaii State Teachers Association supported the intent of this measure.

Your Committee has amended this concurrent resolution by:

- (1) Amending the purpose of the measure to encourage DOE, BOE, and HAIS to evaluate the liability of and consider policies that would allow the School Community Councils the choice of establishing an edible garden program at their schools in the spirit of Act 51;
- (2) Recognizing the need for Hawaii to embrace sustainability, and the role that edible school gardens can play in promoting sustainability;
- (3) Urging DOE to request the cooperation and support of the Department of Agriculture and the University of Hawaii College of Tropical Agriculture and Human Resources; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style, including changing its title to read: "ENCOURAGING THE DEPARTMENT OF EDUCATION, BOARD OF EDUCATION, AND HAWAII ASSOCIATION OF INDEPENDENT SCHOOLS TO EVALUATE THE LIABILITY OF AND CONSIDER POLICIES THAT WOULD ALLOW THE SCHOOL COMMUNITY COUNCILS THE CHOICE OF ESTABLISHING AN EDIBLE GARDEN PROGRAM AT THEIR SCHOOLS IN THE SPIRIT OF ACT 51."

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. 18, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 18, H.D. 1.

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

SCRep. 1643 Education on H.R. No. 130

The purpose of this resolution is to improve the operations of private preschools in Hawaii by requesting the Department of Human Services (DHS) to implement a pilot public-private partnership program between DHS and the Hawaii Association of Independent Schools (HAIS) with the goal of eventually allowing HAIS to self-regulate and manage its private preschools.

DHS, HAIS, Hanalani Schools, the Island Pacific Academy, Maryknoll School, Montessori Community School, Friendship Christian Schools, Hanahauoli School, and Waolani Judd Nazarene School testified in support of this resolution. The Hawaii Catholic Conference opposed this measure.

Your Committee has amended this resolution by:

- (1) Expanding the scope of the pilot program to include the Hawaii Catholic Schools Department, the regulatory authority for Hawaii's Catholic elementary schools;
- (2) Changing its title to read: "REQUESTING THE DEPARTMENT OF HUMAN SERVICES TO IMPLEMENT A PILOT PUBLIC-PRIVATE PARTNERSHIP PROGRAM WITH THE HAWAII ASSOCIATION OF INDEPENDENT SCHOOLS AND HAWAII CATHOLIC SCHOOLS DEPARTMENT WITH THE GOAL OF ALLOWING THE HAWAII ASSOCIATION OF INDEPENDENT SCHOOLS AND HAWAII CATHOLIC SCHOOLS DEPARTMENT TO SELF-REGULATE AND MANAGE THEIR PRIVATE PRESCHOOLS"; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 130, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 130, H.D. 1.

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

SCRep. 1644 Education on H.C.R. No. 175

The purpose of this concurrent resolution is to improve the operations of private preschools in Hawaii by requesting the Department of Human Services (DHS) to implement a pilot public-private partnership program between DHS and the Hawaii Association of Independent Schools (HAIS) with the goal of eventually allowing HAIS to self-regulate and manage its private preschools.

DHS, HAIS, Hanalani Schools, the Island Pacific Academy, Maryknoll School, Montessori Community School, Friendship Christian Schools, Hanahauoli School, and Waolani Judd Nazarene School testified in support of this concurrent resolution. The Hawaii Catholic Conference opposed this measure.

Your Committee has amended this concurrent resolution by:

- (1) Expanding the scope of the pilot program to include the Hawaii Catholic Schools Department, the regulatory authority for Hawaii's Catholic elementary schools;
- (2) Changing its title to read: "REQUESTING THE DEPARTMENT OF HUMAN SERVICES TO IMPLEMENT A PILOT PUBLIC-PRIVATE PARTNERSHIP PROGRAM WITH THE HAWAII ASSOCIATION OF INDEPENDENT SCHOOLS AND HAWAII CATHOLIC SCHOOLS DEPARTMENT WITH THE GOAL OF ALLOWING THE HAWAII ASSOCIATION OF INDEPENDENT SCHOOLS AND HAWAII CATHOLIC SCHOOLS DEPARTMENT TO SELF-REGULATE AND MANAGE THEIR PRIVATE PRESCHOOLS"; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education 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 its adoption in the form attached hereto as H.C.R. No. 175, H.D. 1.

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

SCRep. 1645 Education on H.R. No. 201

The purpose of this resolution is to promote the value and appreciation of volunteer involvement in the public schools by requesting the Department of Education (DOE) and the Board of Education to conduct activities that recognize volunteers and their contributions, including the development and establishment of a volunteer recognition program to be implemented in each school district across the state.

The Hawaii State Teachers Association testified in support of this resolution. DOE supported the intent of this measure.

Your Committee has amended this resolution by:

- (1) Including in the volunteer recognition program, volunteers recognized across the state as well as in each school district; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style, including changing its title to read: "REQUESTING THE BOARD OF EDUCATION AND THE DEPARTMENT OF EDUCATION TO DEVELOP AND ESTABLISH A VOLUNTEER RECOGNITION PROGRAM FOR VOLUNTEERS IN EACH SCHOOL DISTRICT AND ACROSS THE STATE."

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. 201, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 201, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Kahikina and Waters.

SCRep. 1646 Education on H.C.R. No. 273

The purpose of this concurrent resolution is to promote the value and appreciation of volunteer involvement in the public schools by requesting the Department of Education (DOE) and the Board of Education to conduct activities that recognize volunteers and their contributions, including the development and establishment of a volunteer recognition program to be implemented in each school district across the state.

The Hawaii State Teachers Association testified in support of this concurrent resolution. DOE supported the intent of this measure.

Your Committee has amended this concurrent resolution by:

- (1) Including in the volunteer recognition program, volunteers recognized across the state as well as in each school district; and

- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style, including changing its title to read: "REQUESTING THE BOARD OF EDUCATION AND THE DEPARTMENT OF EDUCATION TO DEVELOP AND ESTABLISH A VOLUNTEER RECOGNITION PROGRAM FOR VOLUNTEERS IN EACH SCHOOL DISTRICT AND ACROSS THE STATE."

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. 273, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 273, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Kahikina and Waters.

SCRep. 1647 Public Safety & Military Affairs on H.C.R. No. 252

The purpose of this Concurrent Resolution is to request the federal government to waive combat income when considering the eligibility of military dependents for income-based school lunch programs.

Your Committee has amended the Concurrent Resolution by deleting its contents and substituting it with a request that the Legislative Reference Bureau conduct a review of the laws of other jurisdictions as they relate to police officers.

Specifically, the Bureau is requested to review the laws of other state and municipal jurisdictions regarding tax benefits, retirement system contributions, health fund contributions, and other benefits provided to police officers.

Your Committee finds that the recruitment and retention of police officers statewide continues to be a critical problem for the counties. Offers of better pay and benefits from mainland municipalities continue to deplete the ranks of county police departments. Unless the State provides assistance to the counties, the four county police departments will forever be below full strength and unable to fully serve the needs of their respective communities.

Your Committee also finds that recent legislation has proposed assisting police officers with tax incentives, pay raises, and other benefits. Despite the good intentions of these measures, a lack of accurate and reliable information with respect to how other state and municipal jurisdictions provide for their police forces has seriously hampered any attempt to gain legislative support.

This Concurrent Resolution will provide the necessary information to gain legislative support and to effectively respond to the police recruitment and retention problem in the State.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 252, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 252, H.D. 1.

Signed by all members of the Committee except Representatives Chong, Lee, Souki and Stonebraker.

SCRep. 1648 Housing on H.R. No. 168

The purpose of this concurrent resolution is to take steps to address Hawaii's housing and homeless needs by establishing a temporary legislative task force in the House of Representatives to conduct fact-finding hearings and investigations to further identify near-term solutions to Hawaii's affordable housing and homeless problem.

The Hawaii Association of REALTORS and several concerned individuals testified in support of this concurrent resolution. The Housing and Community Development Corporation of Hawaii supported the intent of this measure. Life of the Land suggested amendments.

Your Committee recognizes that Hawaii's homeless population is increasing and the shortage of affordable housing are rapidly growing problems and the Legislature needs to take an active role in finding and developing near-term solutions.

Your Committee has amended this concurrent resolution by:

- (1) Clarifying that the task force should determine strategies for maintaining an adequate level of low-income rental housing units in perpetuity; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 168, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 168, H.D. 1.

Signed by all members of the Committee except Representatives Green and Pine.

SCRep. 1649 Housing on H.R. No. 77

The purpose of this resolution is to urge the United States Congress not to cut federal Community Development Block Grant (Program) funding as proposed by the Administration in the fiscal year 2006 federal budget.

The Housing and Community Development Corporation of Hawaii, City and County of Honolulu Department of Community Services, Mental Health Kokua, Hawaii HomeOwnership Center, Affordable Housing and Homeless Alliance, Catholic Charities Hawaii, Institute for Human Services, Inc., and a concerned individual testified in support of this resolution.

Your Committee has amended this resolution by, among other things:

- (1) Changing its title to read, "URGING THE UNITED STATES CONGRESS NOT TO CUT FEDERAL COMMUNITY DEVELOPMENT BLOCK GRANT FUNDING AS PROPOSED BY THE ADMINISTRATION IN THE 2006 FISCAL YEAR FEDERAL BUDGET AND TO SUPPORT ITS RESTORATION INTO THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT BUDGET AT ITS CURRENT FUNDING LEVEL OF \$4,700,000,000";
- (2) Clarifying the eligibility requirements for Program funding;
- (3) Specifying that the federal 2006 fiscal year budget eliminates the Program and combines it with other programs, reduces funding for the consolidated programs, and moves these programs to the Department of Commerce, which has no experience in community development;
- (4) Supporting restoration of Program funding into the Department of Housing and Urban Development budget at its current funding level of \$4,700,000,000; and
- (5) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 77, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 77, H.D. 1.

Signed by all members of the Committee except Representatives Green and Pine.

SCRep. 1650 Housing on H.C.R. No. 102

The purpose of this concurrent resolution is to urge the United States Congress not to cut federal Community Development Block Grant (Program) funding as proposed by the Administration in the fiscal year 2006 federal budget.

The Housing and Community Development Corporation of Hawaii, City and County of Honolulu Department of Community Services, Mental Health Kokua, Hawaii HomeOwnership Center, Affordable Housing and Homeless Alliance, Catholic Charities Hawaii, Institute for Human Services, Inc., and a concerned individual testified in support of this concurrent resolution.

Your Committee has amended this concurrent resolution by, among other things:

- (1) Changing its title to read, "URGING THE UNITED STATES CONGRESS NOT TO CUT FEDERAL COMMUNITY DEVELOPMENT BLOCK GRANT FUNDING AS PROPOSED BY THE ADMINISTRATION IN THE 2006 FISCAL YEAR FEDERAL BUDGET AND TO SUPPORT ITS RESTORATION INTO THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT BUDGET AT ITS CURRENT FUNDING LEVEL OF \$4,700,000,000";
- (2) Clarifying the eligibility requirements for Program funding;
- (3) Specifying that the federal 2006 fiscal year budget eliminates the Program and combines it with other programs, reduces funding for the consolidated programs, and moves these programs to the Department of Commerce, which has no experience in community development;
- (4) Supporting restoration of Program funding into the Department of Housing and Urban Development budget at its current funding level of \$4,700,000,000; and
- (5) Making technical, nonsubstantive amendments for clarity and style.

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

Signed by all members of the Committee except Representatives Green and Pine.

SCRep. 1651 Water, Land, & Ocean Resources on H.R. No. 69

The purpose of this resolution is to protect important historical and natural resources on the island of Hawaii by requesting the Nature Conservancy of Hawaii (Conservancy) to establish a Ka'u Development Commission to review and analyze the impact being made on the fragile and historically significant area of Ka'u.

The Department of Agriculture supported the intent of this resolution. The Conservancy opposed this measure.

Upon careful consideration, your Committee has amended this measure by deleting its contents and inserting provisions that request the Hawaii Community Development Authority to secure the services of the Department of Land and Natural Resources Boating and Ocean Recreation Division to provide oversight of all boating and related ancillary activities and services at Kewalo Basin.

Accordingly, your Committee has also amended the title of this measure to read: "REQUESTING THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY TO SECURE THE SERVICES OF THE DEPARTMENT OF LAND AND NATURAL RESOURCES BOATING AND OCEAN RECREATION DIVISION TO PROVIDE OVERSIGHT OF BOATING OPERATIONS AT KEWALO BASIN."

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 69, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 69, H.D. 1.

Signed by all members of the Committee except Representative Meyer.

SCRep. 1652 Water, Land, & Ocean Resources on H.C.R. No. 94

The purpose of this concurrent resolution is to protect important historical and natural resources on the island of Hawaii by requesting the Nature Conservancy of Hawaii (Conservancy) to establish a Ka'u Development Commission to review and analyze the impact being made on the fragile and historically significant area of Ka'u.

The Department of Agriculture supported the intent of this concurrent resolution. The Conservancy opposed this measure.

Upon careful consideration, your Committee has amended this measure by deleting its contents and inserting provisions that request the Hawaii Community Development Authority to secure the services of the Department of Land and Natural Resources Boating and Ocean Recreation Division to provide oversight of all boating and related ancillary activities and services at Kewalo Basin.

Accordingly, your Committee has also amended the title of this measure to read: "REQUESTING THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY TO SECURE THE SERVICES OF THE DEPARTMENT OF LAND AND NATURAL RESOURCES BOATING AND OCEAN RECREATION DIVISION TO PROVIDE OVERSIGHT OF BOATING OPERATIONS AT KEWALO BASIN."

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources 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 its adoption in the form attached hereto as H.C.R. No. 94, H.D. 1.

Signed by all members of the Committee except Representative Meyer.

SCRep. 1653 Health/International Affairs on H.R. No. 141

The purpose of this resolution is to urge the federal government to properly fund medical care and compensation to nuclear victims who are residents of the Republic of the Marshall Islands. In addition, the federal government is urged to finance and commission a comprehensive independent health study to determine the impact of sustained exposure to radiation.

The Straub Clinic and Hospital, the United Church of Christ, and five concerned individuals provided testimony in support of this measure.

Above ground tests of atomic and hydrogen bombs were conducted by the United States government in the Enewetak and Bikini regions of the Marshall Islands from 1946 through 1958. These tests resulted in environmental contamination and extensive exposure to radiation for citizens of the Republic of the Marshall Islands, and residents have suffered acute radiation sickness, thyroid and skin cancers, leukemia, birth defects, stillbirths, damage to their reproductive organs, and endocrine disorders. The overall impact and long-term effect of the bomb tests on the health of Marshall Island residents is still unknown.

Your Committee finds that the threat by the federal government to cut off funds for medical care and compensation for nuclear victims in the Marshall Islands on the grounds that there is no legal basis for payments is both irresponsible and immoral.

This resolution has been amended by your Committee to encourage the federal government to establish health centers in the Republic of the Marshall Islands to assure delivery of health care adequate to the needs of nuclear victims.

The following have been added by your Committee to those that would receive certified copies of this resolution: the Executive Director of the Aloha Medical Mission, the President of Micronesians United, the Director of Pacific Island and Asian American Ministry of the United Church of Christ, the Director of ERUB (Enewetak, Rongelap, Utrick, Bikini) Honolulu Marshallese Ministry, and the Director of the Friends Retreat Center.

As affirmed by the records of votes of the members of your Committees on Health and International Affairs that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 141, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 141, H.D. 1.

Signed by all members of the Committee except Representatives Nishimoto and Finnegan.

SCRep. 1654 Health/International Affairs on H.C.R. No. 189

The purpose of this concurrent resolution is to urge the federal government to properly fund medical care and compensation to nuclear victims who are residents of the Republic of the Marshall Islands. In addition, the federal government is urged to finance and commission a comprehensive independent health study to determine the impact of sustained exposure to radiation.

The Straub Clinic and Hospital, the United Church of Christ, and five concerned individuals provided testimony in support of this measure.

Above ground tests of atomic and hydrogen bombs were conducted by the United States government in the Enewetak and Bikini regions of the Marshall Islands from 1946 through 1958. These tests resulted in environmental contamination and extensive exposure to radiation for citizens of the Republic of the Marshall Islands, and residents have suffered acute radiation sickness, thyroid

and skin cancers, leukemia, birth defects, stillbirths, damage to their reproductive organs, and endocrine disorders. The overall impact and long-term effect of the bomb tests on the health of Marshall Island residents is still unknown.

Your Committee finds that the threat by the federal government to cut off funds for medical care and compensation for nuclear victims in the Marshall Islands on the grounds that there is no legal basis for payments is both irresponsible and immoral.

This concurrent resolution has been amended by your Committee to encourage the federal government to establish health centers in the Republic of the Marshall Islands to assure delivery of health care adequate to the needs of nuclear victims.

The following have been added by your Committee to those that would receive certified copies of this concurrent resolution: the Executive Director of the Aloha Medical Mission, the President of Micronesians United, the Director of Pacific Island and Asian American Ministry of the United Church of Christ, the Director of ERUB (Enewetak, Rongelap, Utrick, Bikini) Honolulu Marshallese Ministry, and the Director of the Friends Retreat Center.

As affirmed by the records of votes of the members of your Committees on Health and International Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 189, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 189, H.D. 1.

Signed by all members of the Committee except Representatives Nishimoto and Finnegan.

SCRep. 1655 Health on H.R. No. 115

The purpose of this resolution is to request that the Department of Health convene a task force to review existing noise regulations and develop a plan to address noise pollution.

The Department of Health provided testimony in support of this measure, with reservations.

Your Committee finds that the public's concern with excessive noise levels is managed primarily through the use of permitting, regulatory, and operational restrictions. The Department of Health is charged with the prevention, control and abatement of noise pollution, and is authorized to adopt rules as may be appropriate for the circumstances of each county. However, jurisdiction for enforcement often varies, and depends on the nature of the complaint.

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. 115 and recommends its adoption.

Signed by all members of the Committee except Representatives Sonson and Finnegan.

SCRep. 1656 Health on H.C.R. No. 153

The purpose of this concurrent resolution is to request that the Department of Health convene a task force to review existing noise regulations and develop a plan to address noise pollution.

The Department of Health provided testimony in support of this measure, with reservations.

Your Committee finds that the public's concern with excessive noise levels is managed primarily through the use of permitting, regulatory, and operational restrictions. The Department of Health is charged with the prevention, control and abatement of noise pollution, and is authorized to adopt rules as may be appropriate for the circumstances of each county. However, jurisdiction for enforcement often varies, and depends on the nature of the complaint.

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. 153 and recommends its adoption.

Signed by all members of the Committee except Representatives Sonson and Finnegan.

SCRep. 1657 Judiciary on H.C.R. No. 73

The purpose of this concurrent resolution is to encourage equal rights for women by:

- (1) Supporting International Women's Day;
- (2) Urging the United States Senate to ratify the Convention on the Elimination of All Forms of Discrimination Against Women; and
- (3) Urging the United States Congress to affirm women's fundamental right to reproductive health, by funding high quality, voluntary family planning and reproductive health services.

The Hawaii Civil Rights Commission and Honolulu County Committee on the Status of Women testified in support of this measure.

Your Committee has amended this measure by clarifying that:

- (1) In 1972, Hawaii was the first state to ratify the federal Equal Rights Amendment; and
- (2) The Hawaii State House of Representatives previously adopted H.R. No. 59, 2003, requesting the same action urged in this concurrent resolution.

Technical, nonsubstantive amendments were also made for clarity, 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 concurs with the intent and purpose of H.C.R. No. 73, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 73, H.D. 1.

Signed by all members of the Committee except Representative Kanoho.

SCRep. 1658 Health on H.C.R. No. 266

The purpose of this concurrent resolution is to have the month of May designated by the Governor as mental health awareness month.

Your Committee finds that mental health is critical to the well-being and vitality of Hawaii's families and communities, and observing May as Mental Health Month will raise the public's awareness and understanding of mental health and mental illnesses.

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. 266 and recommends its adoption.

Signed by all members of the Committee except Representative Sonson.

SCRep. 1659 Health on H.C.R. No. 277

The purpose of this concurrent resolution is to extend the Statewide Interagency Task Force for one year in order to achieve the following:

- (1) Implementation of a general plan for tracking, monitoring, assessing, and reporting on progress on indicators related to achievement of outcomes;
- (2) Completion of discussions on topics identified by the task force, but not yet addressed; and
- (3) Development of any legislation that may be appropriate for consideration in the 2006 Legislative session.

The Department of Health, Department of Human Services and the Hawaii Family Support Institute provided testimony in support of this concurrent measure.

Healthy Start is a program that provides services and screens pregnant women for early identification of at-risk families. However, once risk factors are identified by Healthy Start, the task of assessing reports of child abuse and neglect is the responsibility of the Child Protective Services program. Healthy Start is administered by the Department of Health, and Child Protective Services is in the social services division of the Department of Human Services. This process was far from seamless.

In response, the 2003 Legislature established an interagency task force to develop an implementation plan for the coordination and expansion of services that were being provided to at risk young children and their families.

Your Committee finds that the statewide interagency task force has increased coordination and collaboration between the Departments of Health and Human Services, and other stakeholders in the private and largely nonprofit sector, and that an additional year is needed to allow the task force to implement its plan and complete its purpose.

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. 277 and recommends its adoption.

Signed by all members of the Committee except Representatives Sonson and Finnegan.

SCRep. 1660 Agriculture on H.R. No. 84

The purpose of this resolution is to protect Hawaii's natural ecosystem by requesting Hawaii's congressional delegation to introduce and support legislation and provide funding to prevent brown tree snakes from being imported into this country, including Hawaii.

The Department of Land and Natural Resources, Department of Agriculture, and the Nature Conservancy 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. 84 and recommends its adoption.

Signed by all members of the Committee except Representatives Chang, Karamatsu, Magaoay and Stonebraker.

SCRep. 1661 Agriculture on H.C.R. No. 110

The purpose of this concurrent resolution is to protect Hawaii's natural ecosystem by requesting Hawaii's congressional delegation to introduce and support legislation and provide funding to prevent brown tree snakes from being imported into this country, including Hawaii.

The Department of Land and Natural Resources, Department of Agriculture, and the Nature Conservancy 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. 110 and recommends its adoption.

Signed by all members of the Committee except Representatives Chang, Karamatsu, Magaoay and Stonebraker.

SCRep. 1662 Agriculture on H.R. No. 124

The purpose of this resolution is to support estate grown Hawaii noni and encourage Hawaii consumers to purchase and support estate grown Hawaii noni and the local noni industry.

The Representative of the 4th Representative District 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. 124 and recommends its adoption.

Signed by all members of the Committee except Representatives Chang, Karamatsu, Magaoay and Stonebraker.

SCRep. 1663 Agriculture on H.C.R. No. 165

The purpose of this concurrent resolution is to support estate grown Hawaii noni and encourage Hawaii consumers to purchase and support estate grown Hawaii noni and the local noni industry.

The Representative of the 4th Representative District 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. 165 and recommends its adoption.

Signed by all members of the Committee except Representatives Chang, Karamatsu, Magaoay and Stonebraker.

SCRep. 1664 Agriculture on H.R. No. 194

The purpose of this resolution is to support and recognize the importance and value of the wide variety of farming methods, crops, and practices of Hawaii's diverse agricultural industry. Specifically, this resolution requests, among other things:

- (1) The Department of Agriculture (DOA) and the various agricultural stakeholders and interests to establish a dialogue and process to develop a framework of successful co-existence, with the goal of mutual success and prosperity for agricultural producers, including producers that are organic, conventional, or engaged in biotechnology;
- (2) DOA, Department of Business, Economic Development, and Tourism (DBEDT), and the University of Hawaii College of Tropical Agriculture and Human Resources to assist and facilitate the dialogue and process;
- (3) The Hawaii Farm Bureau Federation (HFBB) to bring the stakeholders together in a meaningful process toward co-existence; and
- (4) DOA to report to the Legislature detailing best practices and management plans to ensure success and co-existence among Hawaii's diverse agricultural interests.

DOA, University of Hawaii, HFBB, Big Island Farm Bureau, Maui County Farm Bureau, Hawaii Agriculture Research Center, Monsanto, Hawaiian Alliance for Responsible Technology & Science, Pioneer Hi-Bred International, Inc., Hawaii Crop Improvement Association, and several concerned individuals supported this measure. DBEDT supported the intent of this resolution. Life of the Land supported this measure but expressed strong concerns. Numerous concerned individuals opposed this resolution.

Your Committee notes that concerns were raised regarding the importance of including all stakeholders involved in agriculture in Hawaii, including those that support organic farming and oppose genetically modified organisms. Your Committee recognizes the importance of receiving input from differing points of view in the development and implementation of ideas that promote and ensure co-existence among the various agricultural interests. Your Committee supports efforts and initiatives to include organic farmers, as well as those engaged in conventional farming and biotechnology-related farming, in the dialogue and process provided under 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. 194 and recommends its adoption.

Signed by all members of the Committee except Representatives Chang, Karamatsu, Magaoay and Stonebraker.

SCRep. 1665 Agriculture on H.C.R. No. 263

The purpose of this concurrent resolution is to support and recognize the importance and value of the wide variety of farming methods, crops, and practices of Hawaii's diverse agricultural industry. Specifically, this concurrent resolution requests, among other things:

- (1) The Department of Agriculture (DOA) and the various agricultural stakeholders and interests to establish a dialogue and process to develop a framework of successful co-existence, with the goal of mutual success and

prosperity for agricultural producers, including producers that are organic, conventional, or engaged in biotechnology;

- (2) DOA, Department of Business, Economic Development, and Tourism (DBEDT), and the University of Hawaii College of Tropical Agriculture and Human Resources to assist and facilitate the dialogue and process;
- (3) The Hawaii Farm Bureau Federation (HFBB) to bring the stakeholders together in a meaningful process toward co-existence; and
- (4) DOA to report to the Legislature detailing best practices and management plans to ensure success and co-existence among Hawaii's diverse agricultural interests.

DOA, University of Hawaii, HFBB, Big Island Farm Bureau, Maui County Farm Bureau, Hawaii Agriculture Research Center, Monsanto, Hawaiian Alliance for Responsible Technology & Science, Pioneer Hi-Bred International, Inc., Hawaii Crop Improvement Association, and several concerned individuals supported this measure. DBEDT supported the intent of this concurrent resolution. Life of the Land supported this measure but expressed strong concerns. Numerous concerned individuals opposed this concurrent resolution.

Your Committee notes that concerns were raised regarding the importance of including all stakeholders involved in agriculture in Hawaii, including those that support organic farming and oppose genetically modified organisms. Your Committee recognizes the importance of receiving input from differing points of view in the development and implementation of ideas that promote and ensure co-existence among the various agricultural interests. Your Committee supports efforts and initiatives to include organic farmers, as well as those engaged in conventional farming and biotechnology-related farming, in the dialogue and process provided under 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. 263 and recommends its adoption.

Signed by all members of the Committee except Representatives Chang, Karamatsu, Magaoay and Stonebraker.

SCRep. 1666 Agriculture on H.C.R. No. 169

The purpose of this concurrent resolution is to request Hawaii's congressional delegation to introduce and support legislation, modeled after the Hass Avocado Promotion, Research, and Information Act of 2000, to assist the local coffee bean industry.

The Kona Pacific Farmers Cooperative 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. 169 and recommends its adoption.

Signed by all members of the Committee except Representatives Chang, Karamatsu, Magaoay and Stonebraker.

SCRep. 1667 Labor & Public Employment/Human Services on H.R. No. 196

The purpose of this resolution is to preserve the social worker series within the Department of Human Resources Development (DHRD) by requesting DHRD to delay the implementation of the elimination of the social worker series, thereby ensuring the professionalism of the social worker profession within DHRD.

Several concerned individuals supported this measure. The National Association of Social Workers (NASW), Hawaii Government Employees Association, and several concerned individuals testified in support of this measure with amendments. DHRD, the Department of Public Safety, and Department of Health commented on this measure.

Your Committees find that DHRD is in the process of eliminating the social worker series and replacing it with the human services professional series. By doing so, DHRD effectively downgrades professionally educated social workers and devalues the expertise they bring to at-risk populations.

Your Committees also find that there is a shortage of individuals in Hawaii with bachelor's and master's degrees in social work. At the same time, however, the demand for social workers continues to grow, especially in the areas of child welfare, developmental disabilities, mental health, and school social work.

Additionally, your Committees recognize the need to comprehensively and effectively address the long-standing problem of the shortage of social workers in Hawaii. Similarly, your Committees also recognize the important role of social workers in providing vital services to the people of Hawaii. As such, your Committees support the State in showing a preference for hiring individuals with degrees in social work to provide social services to the citizens of our state.

In addition, your Committees find that the use of the title "social worker" by an individual not specifically educated and trained in the social work profession is misleading and may result in decreased public safety.

Finally, your Committees find that the various stakeholders who would be affected by this measure have moved towards a possible compromise that could resolve this matter. Your Committees commend DHRD and NASW in particular for working together in developing a solution to this problem that is acceptable to all parties.

Accordingly, your Committees have amended this measure by deleting its contents and replacing the substance of the resolution with provisions that request DHRD to:

- (1) Develop a plan to implement separate series for:

- (A) Social workers who possess a social work degree from an accredited social work program; and
 - (B) Human services professionals (who do not possess a social work degree); and
- (2) Develop this plan in cooperation with the Hawaii Chapter of the National Association of Social Workers, University of Hawaii School of Social Work, Hawaii Pacific University School of Social Work, Brigham Young University School of Social Work, Hawaii Government Employees Association, Department of Education, Department of Health, Department of Human Services, and any other affected department or agency.

In addition, your Committees have amended this measure by changing its title to read: "REQUESTING THE DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT TO REINSTATE THE SOCIAL WORKER SERIES IN ITS CLASSIFICATION AND COMPENSATION PLAN."

Your Committees respectfully request that any plan implemented in response to this resolution be developed in accordance with the directives and recommendations outlined in this measure.

It is the hope of your Committees that the various stakeholders will continue to work together pursuant to the intent of this resolution to reach a final solution that is agreeable to all the major stakeholder groups.

As affirmed by the records of votes of the members of your Committees on Labor & Public Employment and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 196, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 196, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Chong, Kahikina, Souki and Stonebraker.

SCRep. 1668 Labor & Public Employment/Human Services on H.C.R. No. 265

The purpose of this concurrent resolution is to preserve the social worker series within the Department of Human Resources Development (DHRD) by requesting DHRD to delay the implementation of the elimination of the social worker series, thereby ensuring the professionalism of the social worker profession within DHRD.

Several concerned individuals supported this measure. The National Association of Social Workers (NASW), Hawaii Government Employees Association, and several concerned individuals testified in support of this measure with amendments. DHRD, the Department of Public Safety, and Department of Health commented on this measure.

Your Committees find that DHRD is in the process of eliminating the social worker series and replacing it with the human services professional series. By doing so, DHRD effectively downgrades professionally educated social workers and devalues the expertise they bring to at-risk populations.

Your Committees also find that there is a shortage of individuals in Hawaii with bachelor's and master's degrees in social work. At the same time, however, the demand for social workers continues to grow, especially in the areas of child welfare, developmental disabilities, mental health, and school social work.

Additionally, your Committees recognize the need to comprehensively and effectively address the long-standing problem of the shortage of social workers in Hawaii. Similarly, your Committees also recognize the important role of social workers in providing vital services to the people of Hawaii. As such, your Committees support the State in showing a preference for hiring individuals with degrees in social work to provide social services to the citizens of our state.

In addition, your Committees find that the use of the title "social worker" by an individual not specifically educated and trained in the social work profession is misleading and may result in decreased public safety.

Finally, your Committees find that the various stakeholders who would be affected by this measure have moved towards a possible compromise that could resolve this matter. Your Committees commend DHRD and NASW in particular for working together in developing a solution to this problem that is acceptable to all parties.

Accordingly, your Committees have amended this measure by deleting its contents and replacing the substance of the concurrent resolution with provisions that request DHRD to:

- (1) Develop a plan to implement separate series for:
 - (A) Social workers who possess a social work degree from an accredited social work program; and
 - (B) Human services professionals (who do not possess a social work degree); and
- (2) Develop this plan in cooperation with the Hawaii Chapter of the National Association of Social Workers, University of Hawaii School of Social Work, Hawaii Pacific University School of Social Work, Brigham Young University School of Social Work, Hawaii Government Employees Association, Department of Education, Department of Health, Department of Human Services, and any other affected department or agency.

In addition, your Committees have amended this measure by changing its title to read: "REQUESTING THE DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT TO REINSTATE THE SOCIAL WORKER SERIES IN ITS CLASSIFICATION AND COMPENSATION PLAN."

Your Committees respectfully request that any plan implemented in response to this concurrent resolution be developed in accordance with the directives and recommendations outlined in this measure.

It is the hope of your Committees that the various stakeholders will continue to work together pursuant to the intent of this concurrent resolution to reach a final solution that is agreeable to all the major stakeholder groups.

As affirmed by the records of votes of the members of your Committees on Labor & Public Employment and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 265, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 265, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Chong, Kahikina, Souki and Stonebraker.

SCRep. 1669 Transportation on H.C.R. No. 174

The purpose of this concurrent resolution is to increase motorcycle safety by:

- (1) Establishing a Statewide Interagency Task Force (Task Force) to perform a study on motorcycle safety issues; and
- (2) Clarifying the role of the Department of Transportation (DOT) in regulating motorcycle safety.

Street Bikers United testified in support of the intent of this measure. DOT and a concerned individual opposed this measure.

Your Committee has amended this measure by:

- (1) Eliminating numerous statistical findings and evidence relating to motorcycle safety issues;
- (2) Deleting language requesting the Task Force to study the issues regarding motorcycle safety in Hawaii, safety program rebates for motorcyclists, and liability issues for various jurisdictions and motorcycle drivers;
- (3) Clarifying that the Director of Transportation, directors of the licensing divisions of each county, insurance carriers providing motorcycle insurance to Hawaii consumers, the Chair of the Executive Committee of the National Association of State Motorcycle Safety Administrators, and the Administrator of the National Highway Traffic Safety Administration shall receive certified copies of this concurrent resolution; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 174, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 174, H.D. 1.

Signed by all members of the Committee except Representatives Caldwell, Ito and Fox.

SCRep. 1670 Finance on H.C.R. No. 10

The purpose of this concurrent resolution is to request that the Department of Health assure the continuation of a temporary interdepartmental emergency contraception information working group to develop a mechanism to effectively disseminate information on the availability of emergency contraceptives through emergency contraceptive-trained pharmacists who have collaborative agreements with physicians in the State.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 10, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Magaoay and Meyer.
(Representatives Moses and Pine voted no.)

SCRep. 1671 Finance on H.C.R. No. 11

The purpose of this concurrent resolution is to request the Auditor to conduct an impact assessment report, pursuant to sections 23-51 and 23-52, HRS, of the social and financial impacts of mandating coverage for alcohol and drug abuse screening when provided in an emergency room for all policies and contracts, hospital and medical service plan contracts, medical service corporation contracts, and health maintenance organization plans and contracts issued after December 31, 2005.

Your Committee wishes to note that previously, this concurrent resolution included referral to counseling as part of the requested study. Identification of substance abuse is only one step in addressing the larger problem, and early intervention beginning in the emergency room is critical. In fact, doing so is considered a "best practice" by the Boston-based National Institute for Substance Abuse. Your Committee also notes that although issues of confidentiality with regard to counseling referrals have been raised, the Auditor could address such concerns if this concurrent resolution is subsequently amended to restore the original language.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 11, H.D. 1, and recommends its adoption.

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

SCRep. 1672 Finance on H.C.R. No. 26

The purpose of this concurrent resolution is to request the Office of the Auditor to conduct a sunrise analysis of the regulation of the profession of archaeology, as proposed in Senate Bill No. 2149 of the Nineteenth Legislature 1998, except that the audit is requested to examine the licensing board composition described within this concurrent resolution, rather than the board composition proposed in section 4 of S.B. No. 2149.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 26 and recommends its adoption.

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

SCRep. 1673 Finance on H.C.R. No. 40

The purpose of this concurrent resolution is request the Hawaii State Council on Developmental Disabilities to continue to convene the residential settings task force to complete its work in addressing Senate Concurrent Resolution No. 79, S.D. 1, H.D. 1 from 2004.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 40, H.D. 1, and recommends its adoption.

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

SCRep. 1674 Finance on H.R. No. 56

The purpose of this resolution is to request the Auditor to perform a sunrise review regarding the regulation of certified athletic trainers.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 56 and recommends its adoption.

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

SCRep. 1675 Finance on H.C.R. No. 67

The purpose of this concurrent resolution is to request the Auditor to perform a sunrise review regarding the regulation of certified athletic trainers.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 67 and recommends its adoption.

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

SCRep. 1676 Finance on H.C.R. No. 58

The purpose of this concurrent resolution is to request the Auditor to conduct a fiscal and management audit of the Department of Human Services and its use of federal Temporary Assistance to Needy Families funds.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 58 and recommends its adoption.

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

SCRep. 1677 Finance on H.C.R. No. 71

The purpose of this concurrent resolution is to request that the federal government take action to provide national guard members and military reservists who serve for more than twenty years in such military service with the ability to retire and immediately qualify for military retention pay and military retirement pay, regardless of their age upon retirement on the same basis as members of the active military services who transfer to the retired reserve after twenty or more years of active service.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 71 and recommends its adoption.

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

SCRep. 1678 Finance on H.R. No. 74

The purpose of this resolution is to request the Governor and the Director of Transportation to designate Hawaii's airports as completely smoke-free from "airplane cabin to airport curb" with appropriate "No Smoking" signs and public service announcements in the State's airports.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 74 and recommends its adoption.

Signed by all members of the Committee except Representatives Magaoay and Meyer.
(Representatives Evans and Moses voted no.)

SCRep. 1679 Finance on H.C.R. No. 99

The purpose of this concurrent resolution is to request the Governor and the Director of Transportation to designate Hawaii's airports as completely smoke-free from "airplane cabin to airport curb" with appropriate "No Smoking" signs and public service announcements in the State's airports.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 99 and recommends its adoption.

Signed by all members of the Committee except Representatives Magaoay and Meyer.
(Representatives Evans and Moses voted no.)

SCRep. 1680 Finance on H.R. No. 75

The purpose of this resolution is to request the University of Hawaii to establish and head a task group to:

- (1) Conduct a study on the feasibility of encouraging stem cell research in the state;
 - (2) Identify and examine the following areas relating to stem cell research in Hawaii:
 - (a) Ethical factors and guidelines;
 - (b) Technical and scientific-based components;
 - (c) Policy and research recommendations; and
 - (d) Financial resources, including providing an estimate of the cost of stem cell research;
- and
- (3) Host a series of public forums relating to stem cell research.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 75, H.D. 1, and recommends its adoption.

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

SCRep. 1681 Finance on H.C.R. No. 100

The purpose of this concurrent resolution is to request the University of Hawaii to establish and head a task group to:

- (1) Conduct a study on the feasibility of encouraging stem cell research in the State;
 - (2) Identify and examine the following areas relating to stem cell research in Hawaii:
 - (a) Ethical factors and guidelines;
 - (b) Technical and scientific-based components;
 - (c) Policy and research recommendations; and
 - (d) Financial resources, including providing an estimate of the cost of stem cell research;
- and
- (3) Host a series of public forums relating to stem cell research.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 100, H.D. 1, and recommends its adoption.

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

SCRep. 1682 Finance on H.R. No. 78

The purpose of this resolution is to urge that each of the counties develop a fair arrangement whereby property taxes are frozen for homeowners on fixed incomes who demonstrate, through means prescribed by the counties, an inability to pay higher property taxes.

The Hawaii Association of Realtors supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 78 and recommends its adoption.

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

SCRep. 1683 Finance on H.C.R. No. 105

The purpose of this concurrent resolution is to urge that each of the counties develop a fair arrangement whereby property taxes are frozen for homeowners on fixed incomes who demonstrate, through means prescribed by the counties, an inability to pay higher property taxes.

The Hawaii Association of Realtors supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 105 and recommends its adoption.

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

SCRep. 1684 Finance on H.C.R. No. 79

The purpose of this concurrent resolution is to request the Department of Accounting and General Services to study the feasibility of establishing a uniform statewide building code.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 79, H.D. 1, and recommends its adoption.

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

SCRep. 1685 Finance on H.R. No. 82

The purpose of this resolution is to urge the Department of Health to assist the Maui Memorial Medical Center in reopening the Molokini unit by compensating private child and adolescent psychiatrists who take calls at Maui Memorial Medical Center to enhance the recruitment and retention of a child and adolescent psychiatrist hospitalist.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 82 and recommends its adoption.

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

SCRep. 1686 Finance on H.C.R. No. 109

The purpose of this concurrent resolution is to urge the Department of Health to assist the Maui Memorial Medical Center in reopening the Molokini unit by compensating private child and adolescent psychiatrists who take calls at Maui Memorial Medical Center to enhance the recruitment and retention of a child and adolescent psychiatrist hospitalist.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 109 and recommends its adoption.

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

SCRep. 1687 Finance on H.R. No. 108

The purpose of this resolution is to request the Legislative Reference Bureau to conduct a study on the fair and equitable sharing of benefits arising from research, indigenous knowledge, intellectual property, or application of biological resources that are public natural resources held in trust by the State for the benefit of the people.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 108, H.D. 1, and recommends its adoption.

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

SCRep. 1688 Finance on H.C.R. No. 146

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to conduct a study on the fair and equitable sharing of benefits arising from research, indigenous knowledge, intellectual property, or application of biological resources that are public natural resources held in trust by the State for the benefit of the people.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 146, H.D. 1, and recommends its adoption.

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

SCRep. 1689 Finance on H.C.R. No. 121

The purpose of this concurrent resolution is to request the Auditor to perform a management and financial audit of the Department of Public Safety.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 121, H.D. 1, and recommends its adoption.

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

SCRep. 1690 Finance on H.R. No. 126

The purpose of this resolution is to request the Department of Taxation, with the assistance of the Attorney General, to consider the legality, equity, and feasibility of the imposition of a tax on the fair market value of all improvements on a leasehold property that revert to the ownership of the lessor upon the termination of a commercial or industrial lease.

Numerous concerned individuals provided testimony in support of this measure. The Department of Taxation, the Land Use Research Foundation of Hawaii, and Kamehameha Schools provided testimony in opposition.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 126 and recommends its adoption.

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

SCRep. 1691 Finance on H.C.R. No. 167

The purpose of this concurrent resolution is to request the Department of Taxation, with the assistance of the Attorney General, to consider the legality, equity, and feasibility of the imposition of a tax on the fair market value of all improvements on a leasehold property that revert to the ownership of the lessor upon the termination of a commercial or industrial lease.

Numerous concerned individuals provided testimony in support of this measure. The Department of Taxation, the Land Use Research Foundation of Hawaii, and Kamehameha Schools provided testimony in opposition.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 167 and recommends its adoption.

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

SCRep. 1692 Finance on H.C.R. No. 132

The purpose of this concurrent resolution is to request the Land Use Commission to create a special land use task force to convene to consider more precise guidelines for permitted land uses under special permits.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 132, H.D. 1, and recommends its adoption.

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

SCRep. 1693 Finance on H.C.R. No. 156

The purpose of this concurrent resolution is to request the Auditor to conduct a comparative analysis of professional and vocational regulation in other states and in Hawaii, including educational, testing, experience, or other requirements, and to determine whether any such requirements are necessary to protect the health, safety, and welfare of consumers.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 156 and recommends its adoption.

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

SCRep. 1694 Legislative Management on H.R. No. 123

The purpose of this resolution is to improve coordination of statewide efforts to address cervical cancer by requesting:

- (1) The Women's Caucus of the Hawaii State Legislature to form action groups to disseminate information focusing on the elimination of cervical cancer in Hawaii within the next ten years; and
- (2) The Governor to establish the Hawaii Cervical Cancer Elimination Task Force to pursue a range of activities, including the development of a comprehensive cervical cancer prevention plan.

The American Cancer Society testified in support of this resolution.

Cervical cancer is one of the most preventable cancers with a high rate of early detection through screening. However, there are many women in Hawaii who are unaware of the dangers of cervical cancer and the relative ease of detection and treatment.

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. 123, H.D. 1, and recommends its adoption.

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

SCRep. 1695 Legislative Management on H.C.R. No. 164

The purpose of this concurrent resolution is to improve coordination of statewide efforts to address cervical cancer by requesting:

- (1) The Women's Caucus of the Hawaii State Legislature to form action groups to disseminate information focusing on the elimination of cervical cancer in Hawaii within the next ten years; and
- (2) The Governor to establish the Hawaii Cervical Cancer Elimination Task Force to pursue a range of activities, including the development of a comprehensive cervical cancer prevention plan.

The Department of Health and the American Cancer Society testified in support of this concurrent resolution.

Cervical cancer is one of the most preventable cancers with a high rate of early detection through screening. However, there are many women in Hawaii who are unaware of the dangers of cervical cancer and the relative ease of detection and treatment.

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. 164, H.D. 1, and recommends its adoption.

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

SCRep. 1696 Legislative Management on H.R. No. 80

The purpose of this resolution is to request the Department of Accounting and General Services (DAGS) to study the feasibility of installing a wireless fidelity (WiFi) Internet network system in the State Capitol.

The Employers' Chamber of Commerce and Verizon Hawaii testified in support of this resolution.

WiFi is a system that provides wireless Internet access within areas known as hot spots that use antennas to broadcast signals from broadband Internet connections. Thirty-one states already have wireless networks that allow legislators and their staff to access information on their laptops in the legislative chamber or their offices.

WiFi can also improve public participation to the legislative process. While waiting for hearings and meetings, citizens, lobbyists, and others can obtain the status of bills as well as committee updates while keeping track of family or business matters by e-mail.

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. 80 and recommends its adoption.

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

SCRep. 1697 Legislative Management on H.C.R. No. 107

The purpose of this concurrent resolution is to request the Department of Accounting and General Services (DAGS) to study the feasibility of installing a wireless fidelity (WiFi) Internet network system in the State Capitol.

The Employers' Chamber of Commerce and Verizon Hawaii testified in support of this concurrent resolution. DAGS supported the intent of this measure.

WiFi is a system that provides wireless Internet access within areas known as hot spots that use antennas to broadcast signals from broadband Internet connections. Thirty-one states already have wireless networks that allow legislators and their staff to access information on their laptops in the legislative chamber or their offices.

WiFi can also improve public participation to the legislative process. While waiting for hearings and meetings, citizens, lobbyists, and others can obtain the status of bills as well as committee updates while keeping track of family or business matters by e-mail.

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. 107 and recommends its adoption.

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

SCRep. 1698 Legislative Management on H.R. No. 83

The purpose of this resolution is to address concerns about the lack of public parking at the Capitol when the Legislature is in session. This measure requests the Legislative Reference Bureau (LRB) to verify public visitations to the Capitol and determine how additional public parking could be made available.

LRB offered comments.

Your Committee has amended this resolution by:

- (1) Deleting references about parking concerns during special events at the Capitol; and
- (2) Making technical, nonsubstantive amendments for clarity and to correct drafting errors.

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. 83, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 83, H.D. 1.

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

SCRep. 1699 Legislative Management on H.C.R. No. 123

The purpose of this concurrent resolution is to address concerns about the lack of public parking at the Capitol when the Legislature is in session. This measure requests the Legislative Reference Bureau (LRB) to verify public visitations to the Capitol and determine how additional public parking could be made available.

LRB offered comments.

Your Committee has amended this concurrent resolution by:

- (1) Deleting references about parking concerns during special events at the Capitol; and
- (2) Making technical, nonsubstantive amendments for clarity and to correct drafting errors.

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. 123, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 123, H.D. 1.

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

SCRep. 1700 Finance on H.R. No. 144

The purpose of this resolution is to urge the University of Hawaii to partner with the Department of Land and Natural Resources to preserve the State's historical maps through digital mapping.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 144 and recommends its adoption.

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

SCRep. 1701 Finance on H.C.R. No. 192

The purpose of this concurrent resolution is to urge the University of Hawaii to partner with the Department of Land and Natural Resources to preserve the State's historical maps through digital mapping.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 192 and recommends its adoption.

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

SCRep. 1702 Finance on H.R. No. 154

The purpose of this measure is to request the developmental disabilities division of the Department of Health to submit a progress report on the results of audits and reviews of the home and community based services waiver program for individuals with developmental disabilities or mental retardation.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 154, H.D. 1, and recommends its adoption.

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

SCRep. 1703 Finance on H.C.R. No. 206

The purpose of this measure is to request the Developmental Disabilities Division of the Department of Health to submit a progress report on the results of audits and reviews of the home and community based services waiver program for individuals with developmental disabilities or mental retardation.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 206, H.D. 1, and recommends its adoption.

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

SCRep. 1704 Finance on H.C.R. No. 157

The purpose of this measure is to convene a working group to develop recommendations for creating a comprehensive vog emissions monitoring system for the island of Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 157 and recommends its adoption.

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

SCRep. 1705 Finance on H.R. No. 159

The purpose of this measure is to request the Department of Business, Economic Development, and Tourism to conduct a study on the future of photovoltaic electricity in Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 159, H.D. 1, and recommends its adoption.

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

SCRep. 1706 Finance on H.C.R. No. 212

The purpose of this measure is to request the Department of Business, Economic Development, and Tourism to conduct a study on the future of photovoltaic electricity in Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 212, H.D. 1, and recommends its adoption.

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

SCRep. 1707 Finance on H.R. No. 166

The purpose of this resolution is to request the Department of Health to review and strengthen its water quality standards and practices for public notification on Maui by water systems administrators.

Your Committee wishes to note that water quality may also be a problem in other areas of the State. Makakilo, for instance, is one region where residents must have their plumbing replaced relatively often due to the quality of the water.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 166, H.D. 1, and recommends its adoption.

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

SCRep. 1708 Finance on H.C.R. No. 222

The purpose of this concurrent resolution is to request the Department of Health to review and strengthen its water quality standards and practices for public notification on Maui by water systems administrators.

Your Committee wishes to note that water quality may also be a problem in other areas of the State. Makakilo, for instance, is one region where residents must have their plumbing replaced relatively often due to the quality of the water.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 222, H.D. 1, and recommends its adoption.

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

SCRep. 1709 Finance on H.C.R. No. 172

The purpose of this measure is to request the Auditor to perform a sunrise review of the regulation of payday lenders and deferred deposit check cashers.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 172, H.D. 1, and recommends its adoption.

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

SCRep. 1710 Finance on H.R. No. 193

The purpose of this House resolution is to request the Department of Land and Natural Resources, along with the local real estate appraiser's national organization, to establish a training program to instruct real estate appraisers to use the income capitalization approach to set lease rent rates for State agricultural lease reopening.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 193, H.D. 1, and recommends its adoption.

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

SCRep. 1711 Finance on H.C.R. No. 262

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources, along with the local real estate appraiser's national organization, to establish a training program to instruct real estate appraisers to use the income capitalization approach to set lease rent rates for State agricultural lease reopening.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 262, H.D. 1, and recommends its adoption.

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

SCRep. 1712 Finance on H.C.R. No. 200

The purpose of this measure is to request an audit of the Department of Land and Natural Resources.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 200, H.D. 1, and recommends its adoption.

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

SCRep. 1713 Finance on H.C.R. No. 204

The purpose of this measure is to request a sunrise analysis of the regulation of condominium association managers.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 204 and recommends its adoption.

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

SCRep. 1714 Finance on H.R. No. 205

The purpose of this resolution is to request the Department of Human Services to post budget information for the Temporary Assistance for Needy Families program on its website for public review.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 205 and recommends its adoption.

Signed by all members of the Committee except Representatives Magaoay and Meyer.
(Representative Moses voted no.)

SCRep. 1715 Finance on H.C.R. No. 278

The purpose of this concurrent resolution is to request the Department of Human Services to post budget information for the Temporary Assistance for Needy Families program on its website for public review.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 278 and recommends its adoption.

Signed by all members of the Committee except Representatives Magaoay and Meyer.
(Representative Moses voted no.)

SCRep. 1716 Finance on H.C.R. No. 213

The purpose of this measure is to request a systemwide financial audit of the University of Hawaii system.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 213 and recommends its adoption.

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

SCRep. 1717 Finance on H.C.R. No. 218

The purpose of this measure is to request the Auditor to conduct a programmatic and financial audit of the Hawaii Tobacco Settlement Special Fund.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 218 and recommends its adoption.

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

SCRep. 1718 Finance on H.C.R. No. 229

The purpose of this concurrent resolution is to request the Department of Health to evaluate the impact of the physician "on-call" crisis on the Queen's Medical Center Trauma Center's ability to provide emergency medical services. This concurrent resolution further requests the Department of Health to recommend appropriate private sector and government responses to the "on-call" crisis to ensure continued access to emergency trauma level care.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 229, H.D. 1, and recommends its adoption.

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

SCRep. 1719 Finance on H.R. No. 85

The purpose of this measure is to urge the Department of Business, Economic Development, and Tourism to establish a permanent state cultural public market within the Hawaii Community Development Authority (HCDA).

Your Committee has amended this measure by:

Clarifying that the location to be considered for the market is to be on the east side of Kakaako, Diamond Head of Ahui St.; and

- 2) Requesting HCDA to develop, distribute, and accept requests for proposals from private entities for the state cultural public market.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 85, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 85, H.D. 2.

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

SCRep. 1720 Finance on H.C.R. No. 111

The purpose of this measure is to urge the Department of Business, Economic Development, and Tourism to establish a permanent state cultural public market within the Hawaii Community Development Authority (HCDA).

Your Committee has amended this measure by:

- 1) Clarifying that the location to be considered for the market is to be on the east side of Kakaako, Diamond Head of Ahui St.; and
- 2) Requesting HCDA to develop, distribute, and accept requests for proposals from private entities for the state cultural public market.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 111, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 111, H.D. 2.

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

SCRep. 1721 Finance on H.C.R. No. 168

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to study the impact on the State economy caused by the concentration in ownership of commercial and industrial lands.

Hawaiian marine Enterprises and numerous individuals provided testimony in support of this measure. The Department of Taxation and the Land Use Research Foundation testifies in opposition. The Department of Business, Economic Development, and Tourism (DBEDT) and the Legislative Reference Bureau (LRB) provided comments.

Your Committee has amended this concurrent resolution by specifying that LRB is requested to work with DBEDT in studying the impact on the State economy. Your Committee wishes to note that DBEDT has expertise and capacity more suited to a study of this nature, and therefore should bear most of the tasks for this assignment.

Your Committee also wishes to note that during decision-making, it was mentioned that a similar study had been conducted by SMS Research.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 168, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 168, H.D. 1.

Signed by all members of the Committee except Representatives Magaoay and Meyer.
(Representatives Evans and Pine voted no.)

SCRep. 1722 Finance on H.C.R. No. 255

The purpose of this concurrent resolution is to establish an interim task force on the accessibility of mental health care to consider the feasibility of the State authorizing trained and supervised psychologists to safely prescribe psychotropic medications for the treatment of mental illness.

Your Committee has amended this measure by:

- 1) Allowing the chairs of the House and Senate Health committees to each designate a task force appointee in their stead;
- 2) Requiring two designees each from the Hawaii Psychiatric Medical Association and the Hawaii Psychological Association, rather than the president and a designee from each; and
- 3) Making technical, non-substantive amendments.

Your Committee further wishes to express its desire for the task force to work with the Hawaii Primary Care Association during the course of producing its report.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 255, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 255, H.D. 2.

Signed by all members of the Committee except Representatives Magaoay and Meyer.
(Representatives Fox and Moses voted no.)

SCRep. 1723 Water, Land, & Ocean Resources on H.C.R. No. 293

The purpose of this concurrent resolution is to urge the Commission on Water Resource Management (Commission) to fulfill its constitutional and statutory mandate to protect public trust instream use and restore continuous stream flows by establishing scientifically-based instream flow standards (IFS) and addressing the Na Wai Eha situation.

The Office of Hawaiian Affairs, a member of the Maui County Council, Sierra Club, Hawaii Chapter, Earthjustice, Hanalei Watershed Hui, Hawaii's Thousand Friends, Maui Tomorrow, and numerous concerned individuals supported this concurrent resolution. The Department of Land and Natural Resources supported the intent of this measure. The Hawaiian Commercial & Sugar Company and Hawaii Farm Bureau Federation opposed this measure.

It is the Legislature's intent that this concurrent resolution be applied generically towards the establishment of statewide IFS. The reference to Na Wai Eha stream on Maui is primarily by way of example because of its significance and the pending petition before the Commission for the establishment of interim IFS.

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

- (1) Clarifying the extent to which diversions are affecting the beneficiaries of the State's water resources by including the proportion and number of diversions;
- (2) Adding to the measures to be taken by the Commission to fulfill its constitutional and statutory mandate, the finalization of its strategic plan that includes:
 - (A) Identifying and prioritizing streams that require IFS;
 - (B) Securing federal funds and services;
 - (C) Establishing partnerships with federal and county agencies, as well as private business and conservation organizations; and
 - (D) Considering the allocation of water for designated "important agricultural lands;"

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 Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 293, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 293, H.D. 1.

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

SCRep. 1724 Agriculture/Hawaiian Affairs/Water, Land, & Ocean Resources on H.C.R. No. 155

The purpose of this concurrent resolution is to address the problem of invasive species in Hawaii by requesting:

- (1) The Department of Agriculture (DOA), Department of Hawaiian Home Lands (DHHL), Department of Land and Natural Resources (DLNR), and the U.S. Fish and Wildlife Service to identify the nature and extent of growth of gorse within their respective lands; and
- (2) DOA to implement a comprehensive action plan to eradicate the gorse, in consultation with DHHL, DLNR, U.S. Fish and Wildlife Service, and the counties.

DOA, DHHL, and DLNR supported the intent of this measure.

Your Committees recognize that concerns were raised regarding the feasibility of eliminating gorse given the lack of funding and other resources.

Therefore, your Committees have amended this measure by requesting DOA to implement a comprehensive action plan to contain, rather than eliminate, the gorse. Other technical, nonsubstantive amendments were made for purposes of style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Agriculture and Hawaiian Affairs and Water, Land, & Ocean Resources that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 155, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 155, H.D. 1.

Signed by all members of the Committee except Representatives Magaoay, Waters, Finnegan and Stonebraker.

SCRep. 1725 Transportation on S.C.R. No. 48

The purpose of this concurrent resolution is to relieve traffic congestion in Mililani Mauka by requesting the Oahu Metropolitan Planning Organization (OMPO) to identify, in its current comprehensive study, possible solutions to the traffic problems in Mililani Mauka, including a feasibility study of an alternate route of ingress to and egress from the area.

The Department of Transportation and Mililani/Waipio/Melemanu Neighborhood Board No. 25 testified in support of this concurrent resolution. OMPO offered comments.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 48 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Caldwell, Ito and Fox.

SCRep. 1726 Transportation/Human Services on S.C.R. No. 96

The purpose of this concurrent resolution is to assist elderly individuals in the community by requesting each county to develop a strategic plan for senior transportation options.

Two concerned individuals testified in support of this concurrent resolution.

As affirmed by the records of votes of the members of your Committees on Transportation and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 96 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Caldwell, Chong, Hale, Finnegan and Stonebraker.

SCRep. 1727 Transportation on S.C.R. No. 107

The purpose of this concurrent resolution is to address highway safety issues in the County of Hawaii (County) by requesting the Department of Transportation (DOT) to:

- (1) Study and evaluate existing traffic conditions in the County, in consultation with the county Department of Public Works, and prepare a traffic solution plan for the County to minimize existing and future traffic problems; and
- (2) Review and make recommendations on the current county transportation plan to ensure its conformity with state planning policies and objectives.

A concerned individual testified in support of this measure. DOT supported the intent of this measure. The County of Hawaii opposed this measure.

Your Committee has amended this concurrent resolution by:

- (1) Deleting the finding that the County's General Plan Revision process was completed in February 2005, with no reference to the problem of dangerous state and county highways or provision for improvement; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 107, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.C.R. No. 107, S.D. 1, H.D. 1.

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

SCRep. 1728 Health on S.C.R. No. 20

The purpose of this concurrent resolution is to raise awareness of the detriments and frequency of cervical cancer within our society by designating the month of January as Cervical Cancer Awareness Month.

There were no testifiers for this measure.

Your Committee notes that H.C.R. No. 8, the House companion to this measure, was passed by this body and is progressing through the Senate.

Upon further consideration, your Committee has amended this measure by deleting all of its provisions and adding the contents of H.C.R. No. 236 H.D. 1, including changing the title to read: "REQUESTING THE DEPARTMENT OF EDUCATION, UNIVERSITY OF HAWAII, AND HAWAII ASSOCIATION OF INDEPENDENT SCHOOLS TO SUPPORT COMMUNITY EFFORTS TO ESTABLISH STUDENT, FACULTY, AND ADMINISTRATIVE STAFF EXCHANGE PROGRAMS FOR PUBLIC AND PRIVATE HIGH SCHOOLS AND COLLEGES AND UNIVERSITIES IN HAWAII WITH SCHOOLS IN THE PROVINCES AND PREFECTURES WITH WHICH THE STATE HAS STATE-PROVINCE-PREFECTURE RELATIONSHIPS."

As amended, the purpose of this concurrent resolution is now to improve international relations by requesting the Department of Education (DOE), University of Hawaii (UH), and Hawaii Association of Independent Schools (HAIS) to assist and support community efforts to establish student, faculty, and administrative staff exchange programs in the public and private schools and colleges and universities in Hawaii, with schools in the provinces in the Republic of the Philippines, with which the state has state-province relationships.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 20, as amended herein, and recommends that it be referred to the Committees on Education and International Affairs in the form attached hereto as S.C.R. No. 20, H.D. 1.

Signed by all members of the Committee.

SCRep. 1729 Health on S.C.R. No. 7

The purpose of this concurrent resolution is to request that the Department of Health (DOH) propose and develop a comprehensive statewide strategic plan to address prevention and treatment of childhood obesity and promote healthy lifestyles in Hawaii.

The Department of Health provided testimony in support of this concurrent resolution.

Your Committee finds that there is a direct relationship between obesity and adverse medical conditions, and that healthy lifestyles help to prevent the incidence of childhood obesity. There are a diverse group of programs and organizations already engaged in various aspects of this effort, and there is a need to coordinate these elements through development of a strategic plan.

There is a need for sensitivity in the development of the strategic plan in order to assure that there is integration of the plan with statewide efforts such as those supported through the Tobacco Prevention and Control Fund, and to avoid conflict with other legislative directives.

Accordingly, your Committee has amended this concurrent resolution by including the Hawaii Primary Care Association, the Coalition for a Tobacco Free Hawaii, and the Coalition for a Drug Free Hawaii for the purpose of assisting in the development of the strategic plan.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 7, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.C.R. No. 7, H.D. 1.

Signed by all members of the Committee.

SCRep. 1730 Human Services on S.C.R. No. 95

The purpose of this resolution is to urge the Kokua Council to convene the 2005 Model Legislature and its pre-event activities.

Testimony in support was received by the Executive Office on Aging, Kokua Council, American Association of Retired Persons Hawaii, National Association of Social Workers, Catholic Charities Hawaii, and the Moilili Community Center.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 95 and recommends that it be referred to the Committee on Legislative Management.

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

SCRep. 1731 Health on S.C.R. No. 132

The purpose of this measure is to request that the Healthcare Association of Hawaii establish a task force to design a system for the reporting of hospital-acquired infections to the public.

The Department of Health and Queen's Medical Center testified in support of this measure. Also entered into record was supportive testimony from the Association for Professionals in Infection Control and Epidemiology and Healthcare of Association of Hawaii, that was previously provided to the Senate Committee on Health.

Your Committee finds that the public reporting of hospital infection rates is part of a national trend to make more information on health care available for the purpose of public awareness and regulatory oversight. However, there is considerable diversity between hospitals in Hawaii in the patient populations they serve and the services they provide. As a result, the system will

also need to include risk adjustment methods that will account for these differences and the effect these dissimilarities have on the likelihood of patient infections.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 132 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1732 Health/Human Services on S.C.R. No. 195

The purpose of this measure is to request that the state health planning and development agency identify and evaluate barriers to community-based access to specialty care, and make recommendations that would improve access to specialty care in rural areas and on the neighbor islands.

The Hawaii Health Systems Corporation, Hawaii Medical Home Implementation Grant, and a concerned individual testified in support of this concurrent resolution.

Your Committee finds that the barriers to specialty health care are considerable for patients those residing on the neighbor islands and in rural parts of Oahu, and that a systemic assessment by the state health planning and development agency would provide useful and valuable information for improving community access to specialty care.

Your Committee has amended this concurrent resolution to incorporate issues of concern in the recruitment and retention of specialty care doctors.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 195, S.D. 1, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as S.C.R. No. 195, S.D. 1, H.D. 1.

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

SCRep. 1733 Health/Human Services on S.C.R. No. 227

The purpose of this measure is to create an advisory board and planing task force for the Healthy Start Program.

Healthy Start is a statewide program that prevents child abuse and neglect, and promotes child health and development in newborns of families at risk for poor child outcomes. Your Committees find that there is a need for the Department of Health and Healthy Start program providers to engage in a planning process that will enhance program effectiveness, and streamline reporting procedures for federal requirements that are often time consuming and may detract from the program's focus on intervention to prevent child abuse.

Upon further consideration, your Committees have amended this concurrent resolution by deleting all references to an advisory board, and changing the title to read: "CREATING A PLANNING TASK FORCE FOR THE HEALTHY START PROGRAM."

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 227, S.D. 1, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as S.C.R. No. 227, S.D. 1, H.D. 1.

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

SCRep. 1734 Human Services/Health on S.C.R. No. 79

The purpose of this concurrent resolution is to request the Executive Office on Aging (EOA), in collaboration with the Real Estate Commission (Commission), to convene a task force to develop a program and reference guide to assist in the dissemination of information regarding the issues, needs, and concerns related to aging-in-place, particularly in condominiums, housing cooperatives, and other high density living environments.

Assisted Living Options Hawaii, Catholic Charities Hawaii, and a concerned individual testified in support of this concurrent resolution. EOA, the Board of Directors of Yacht Harbor Towers, Hawaii Association of Realtors, and Hawaii Council of Associations of Apartment Owners supported this measure with amendments. The Commission provided comments.

Your Committees have amended this concurrent resolution by:

- (1) Replacing the provision requesting the task force to develop a model for transitioning an existing real property development into a naturally occurring retirement community (NORC) with a provision requesting the task force to facilitate the establishment of viable NORC's;
- (2) Requesting the task force to submit a report to the Legislature detailing the proposed costs for publishing and distributing a reference guide instead of asking the Commission to cover the costs;
- (3) Including a representative of the Hawaii Association of Realtors on the task force;
- (4) Clarifying information relating to EOA's KupunaCare program; and
- (5) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 79, S.D. 1, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as S.C.R. No. 79, S.D. 1, H.D. 1.

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

SCRep. 1735 Health on S.C.R. No. 196

The American Lung Association, American Heart Association, and American Cancer Association testified in support of this concurrent resolution.

Your Committee finds that the current cost of tobacco use according to the U.S. Centers for Disease Control is \$617 million yearly in health care costs and lost worker productivity. The vision of Hawaii as a smoke-free state should be a guiding principle for lawmakers, and demonstrates a commitment by government to the health and well-being of the people of Hawaii.

However, your Committee recognizes that this goal can only be achieved in increments, such as an elimination of smoking in the workplace and all indoor public spaces. Currently, Italy, Ireland and Norway have a ban on smoking in all enclosed public places.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 196 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1736 Economic Development & Business Concerns on S.C.R. No. 106

The purpose of this concurrent resolution is to convene a joint legislative task force to review the concerns raised by the University of Hawaii (UH), Natural Energy Laboratory of Hawaii Authority, High Technology Development Corporation (HTDC), Hawaii Strategic Development Corporation, Hawaii Health Systems Corporation (HHSC), and the counties, with regard to statutory exemptions to the Hawaii Procurement Code.

UH, HTDC, the East Hawaii Region of HHSC, Intermountain Health Care/Amerinet, and several concerned individuals testified in support of this concurrent resolution. The Department of Accounting and General Services supported the intent of this measure. The State Procurement Office provided comments.

Your Committee has amended this concurrent resolution by:

- (1) Allowing the Senate President and Speaker of the House of Representatives to name members to the task force who are familiar with the state procurement code;
- (2) Exempting the task force from chapter 92, Hawaii Revised Statutes;
- (3) Specifying that the integrity and intent of the procurement code should be maintained to protect the public's interest;
- (4) Requesting persons currently active in federal and county procurement to assist the task force; and
- (5) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 106, S.D. 2, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as S.C.R. No. 106, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representative Karamatsu.

SCRep. 1737 Water, Land, & Ocean Resources on S.C.R. No. 51

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources (DLNR) to form and chair a working group to conduct a review of issues surrounding the shoreline certification process for the purpose of establishing reasonable shoreline setbacks to protect the natural building of sandy beaches and to ensure public access along the shoreline.

DLNR, the Office of Hawaiian Affairs, and Land Use Research Foundation of Hawaii testified in support of this concurrent resolution. The Hawaii Association of Realtors also supported this measure with amendments. The Department of Accounting and General Services offered comments.

Your Committee finds that protecting our natural sandy beaches from eroding due to the building of man-made structures, such as seawalls, is an important factor in preserving Hawaii's unique natural resources. Establishing a proper certification process for shoreline setbacks will be a major step towards preventing the construction of man-made structures that alter the natural building process of our beaches and eliminate public access along the shoreline.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 51, S.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1738 Economic Development & Business Concerns on S.C.R. No. 17

The purpose of this concurrent resolution is to request the Department of Accounting and General Services (DAGS) to convene a Uniform Statewide Building Code Task Force to consider the establishment of a uniform statewide building code in Hawaii, including elements of indigenous architecture.

State Farm Insurance Companies and Hawaii Association of REALTORS supported this concurrent resolution. The Hawaii Insurers Council supported the intent of this measure. DAGS offered comments.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 17, S.D. 2, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Karamatsu and Ching.

SCRep. 1739 Health on S.C.R. No. 54

The purpose of this concurrent resolution is to request that the Legislative Reference Bureau conduct a study of the Reproductive Rights Protection Committee, and provide the legislature with recommendations as to whether there continues to be a need for the committee.

The State Council on Developmental Disabilities and Disability and Communication Access Board provided testimony in support of this measure. The Legislative Reference Bureau provided comments, and indicated that the study would be manageable.

Your Committee is aware of the changes that have occurred since the Reproductive Rights Protection Committee was initially established by statute in 1986, and that the committee has not been required to review a petition in its entirety for the past nine years.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 54 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Finnegan.

SCRep. 1740 Health on S.C.R. No. 29

The purpose of this concurrent resolution is to request that the office of the auditor conduct a "sunrise" review of proposed legislation that would mandate health insurance coverage for the screening of prostate cancer.

Kaiser Permanente, Hawaii Medical Service Association, American Cancer Society, and National Prostate Cancer Coalition testified in support of this measure.

Your Committee finds that Hawaii has the worst prostate cancer screening record nationally, and that the number of men receiving screening has dropped more than 10 percentage points in recent years. A report by the state auditor would provide the legislature with valuable information that could be used for decision-making as to the access, affordability, and impact of mandated health insurance coverage for this procedure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 29, S.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Finnegan.

SCRep. 1741 Health on S.C.R. No. 93

The purpose of this concurrent resolution is to request that the Department of Health and Hawaii Health Systems Corporation facilitate a stakeholder group to develop and implement crisis stabilization services at the Maui Memorial Medical Center.

The Department of Health, Hawaii Health Systems Corporation, Maui Memorial Medical Center, Hawaii Psychological Association, Hawaii Disability Rights Center, and Mental Health Association in Hawaii testified in support of this measure. One concerned individual testified in opposition and provided comments.

Your Committee finds that there is an urgent need to meet the basic psychiatric health needs of children and youth on Maui, and that these children and their families must currently travel to Oahu for these services. The use of crisis stabilization services to meet those needs is an approach that may have both short-term and long-term benefits in terms of the re-establishment of adolescent psychiatric services that have been unavailable since the closing of the Molokini unit of Maui Memorial Medical Center, and the recruitment and retention of qualified adolescent and child psychiatrists for Maui.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 93, S.D. 2, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Finnegan.

SCRep. 1742 Health on S.C.R. No. 109

The purpose of this concurrent resolution is to request that the Department of Health broaden the accessibility, distribution, and dissemination of educational material on the diagnosis, treatment, and prevention of hepatitis C. In addition, this concurrent resolution requests that the Department of Health coordinate a Hepatitis C Education Work Group.

The Department of Health, Hepatitis Hale Treatment and Support Program, Hawaii Disability Rights Center, and two concerned individuals supported this measure.

Your Committee finds that there is a need to streamline the process by which educational and informational materials on hepatitis C are communicated and disseminated to health care providers and others at high risk of exposure. The establishment of a work group provides the Department of Health with an additional mechanism with which to implement the goals and objectives of the Hawaii Hepatitis C Strategic Plan.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 109, S.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Finnegan.

SCRep. 1743 Health on H.R. No. 72

The purpose of this resolution is to request that the Governor, director of the Department of Health, and director of Civil Defense prepare for the possibility of an influenza pandemic.

Your Committee held an informational briefing on avian flu earlier in the session, and notes that the Department of Health is currently taking steps to address this matter.

Your Committee has amended this resolution by deleting its contents, and inserting congratulatory language in recognition of the collective efforts of the various entities involved in the upgrading and integrating of Maui's emergency medical services system.

In addition, the title of the resolution has been changed to read: "CONGRATULATING MAUI'S COLLECTIVE EFFORTS FOR THE ESTABLISHMENT OF A NEW UPGRADED AND INTEGRATED AIR AND GROUND EMERGENCY MEDICAL SERVICES SYSTEM FOR MAUI CITIZENS."

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. 72, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 72, H.D. 1.

Signed by all members of the Committee except Representative Finnegan.

SCRep. 1744 Higher Education on S.C.R. No. 174

The purpose of this concurrent resolution is to maintain the Harold L. Lyon Arboretum as a precious and unique botanical and educational resource for the State and nation by requesting the University of Hawaii to work with the Lyon Arboretum Community Steering Committee and submit a report regarding their efforts to improve conditions at the Lyon Arboretum.

Many concerned individuals testified in support of this measure. The University of Hawaii supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 174 and recommends its adoption.

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

SCRep. 1745 Higher Education on S.C.R. No. 68

The purpose of this concurrent resolution is to help realize the potential of Mauna Kea as one of the world's premier sites for astronomical research while protecting its unique spiritual, cultural, historical, and natural resources, by requesting the Auditor to:

- (1) Conduct a follow-up audit of and address various matters relating to the adequacy of the maintenance, operation, and management of the Mauna Kea Science Reserve (Reserve); and
- (2) Determine the feasibility and necessity of creating a new management authority to maintain, operate, and manage the Reserve and its attached facilities.

The Office of Hawaiian Affairs, Sierra Club, Hawaii Chapter, KAHEA: The Hawaiian-Environmental Alliance, and several concerned individuals testified in support of this concurrent resolution. The Royal Order of Kamehameha I opposed this measure. The Department of Land and Natural Resources, University of Hawaii (UH) Office of Mauna Kea Management, and UH offered comments.

Your Committee has amended this concurrent resolution by:

- (1) Removing the provision that requests the Auditor to determine the feasibility and necessity of creating a new management authority to maintain, operate, and manage the Reserve and its attached facilities;

- (2) Changing its title to more accurately reflect the contents of the measure as follows: "REQUESTING THE AUDITOR TO CONDUCT A FOLLOW-UP AUDIT OF AND ADDRESS VARIOUS MATTERS RELATING TO THE ADEQUACY OF THE MAINTENANCE, OPERATION, AND MANAGEMENT OF THE MAUNA KEA SCIENCE RESERVE"; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 68, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 68, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Hale, Shimabukuro and Finnegan.

SCRep. 1746 Human Services on S.C.R. No. 44

The purpose of this bill is to urge the President of the United States, the United States Congress, and Centers for Medicare and Medicaid Services to preserve the amount of Medicaid coverages and the amount of benefits.

The Hawaii Government Employees Association submitted testimony in support.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 44 and recommends its adoption.

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

SCRep. 1747 Education on S.C.R. No. 66

The purpose of this concurrent resolution is to curtail substance abuse among students by urging the Department of Education (DOE) to, among other things, adopt programs and plans that promote school connectedness and address behavioral changes in students.

No testimony was received for this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 66 and recommends its adoption.

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

SCRep. 1748 Education on S.C.R. No. 191

The purpose of this concurrent resolution is to promote the value and appreciation of volunteer involvement in the public schools by requesting the Department of Education (DOE) and the Board of Education to conduct activities that recognize volunteers and their contributions, including the development and establishment of a volunteer recognition program to be implemented in each school district across the state.

For the purposes of discussion, your Committee circulated a proposed draft in which the original contents were deleted and replaced with language originally contained in H.C.R. No. 247 that provides for increased accountability of education service providers that assist the public schools in meeting the expectations set forth by the No Child Left Behind Act of 2001 (NCLB). Your Committee notes that there are still vehicles for the original intent of S.C.R. No. 191 in H.C.R. No. 273 and H.R. No. 201.

The Hawaii State Teachers Association and many concerned individuals testified in support of the proposed measure. DOE supported the intent of the proposed measure.

Your Committee has amended the concurrent resolution, as received, by deleting its contents and replacing it with the language of H.C.R. No. 247. As amended, this measure requires DOE to legitimize the substantial cost of hiring private education service providers to assist in meeting the expectations set forth by NCLB. Specifically, this measure requests DOE to:

- (1) Compensate education service providers according to the achievement of specific performance goals; and
- (2) Submit a report to the Legislature on the status of the restructuring of each of the 24 schools, that includes:
 - (a) Details of the contract between each school and its education service provider; and
 - (b) An explanation of how DOE intends to create a system of accountability for education service providers whose compensation is not tied to specific performance goals.

Accordingly, the title of this concurrent resolution has been amended to read:

"REQUESTING THE DEPARTMENT OF EDUCATION TO INCLUDE PERFORMANCE-BASED INCENTIVES WHEN CONTRACTING WITH EDUCATION SERVICE PROVIDERS FOR SCHOOL RESTRUCTURING UNDER THE NO CHILD LEFT BEHIND ACT."

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 191, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 191, H.D. 1.

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

SCRep. 1749 Energy & Environmental Protection on S.C.R. No. 135

The purpose of this measure is to request the Department of Health to share its findings and report on the plan to develop a vog advisory index on the island of Hawaii with the Big Island community and the Legislature.

The measure also requests that the plan developed by the Department of Health address monitoring station and testing needs on the island of Hawaii.

The Department of Health testified in support of the measure.

Your Committee finds that vog poses serious health risks for the population of the island of Hawaii. Your Committee further finds that active sharing of information and dialogue with the community would positively facilitate the Department of Health's development of a vog advisory system.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 135, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Carroll, Kanoho and Pine.

SCRep. 1750 Energy & Environmental Protection on S.C.R. No. 92

The purpose of this measure is to urge Hawaii's congressional delegation to work toward a national park status for the Kawainui Marsh Complex.

Your Committee has amended the Concurrent Resolution by deleting its title and contents and replacing it with a request of the President and Congress of the United States to restore funding for programs and measures to contain and eradicate alien species in Hawaii and to prevent the introduction of new invasive alien species.

The Department of Land and Natural Resources, the Department of Agriculture, a State Representative representing South Hilo, the Mayor of the County of Hawaii, and two private citizens offered testimony in support of the measure. One private citizen offered comments on the original contents of the measure.

Your Committee finds that federal funds are urgently needed to help the State contain and eradicate a number of invasive species, especially the coqui frog and miconia plant, that pose a grave ecological and economic threat to the welfare of Hawaii.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 92, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 92, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Kanoho and Pine.

SCRep. 1751 Energy & Environmental Protection on S.C.R. No. 140

The purpose of this measure is to request the Department of Health to develop, adopt, and issue a guidance document on environmental justice policy applicable to all levels of the environmental review process under Chapter 343, Hawaii Revised Statutes.

The Office of Hawaiian Affairs testified in support of the measure. The Department of Health, the Office of Environmental Quality Control, and the University of Hawaii Environmental Center offered comments on the measure.

Your Committee finds that the importance of this issue justifies a detailed review of the environmental review process under Chapter 343, Hawaii Revised Statutes. Your Committee also finds the wide-reaching impacts of the environmental review process justify the inclusion of a number of interested parties in the development of an environmental justice document. Your Committee further finds that the Environmental Council, with the assistance of the Office of Environmental Quality Control and the University of Hawaii Environmental Center, is best suited for this task.

Accordingly, your Committee has amended this measure by:

- (1) Amending the title of this measure to read:

"REQUESTING THE ENVIRONMENTAL COUNCIL, WITH THE ASSISTANCE OF THE OFFICE OF ENVIRONMENTAL QUALITY CONTROL AND THE UNIVERSITY OF HAWAII ENVIRONMENTAL CENTER, TO DEVELOP AND PROMULGATE A GUIDANCE DOCUMENT ON INCLUDING PRINCIPLES OF ENVIRONMENTAL JUSTICE IN ALL PHASES OF ENVIRONMENTAL REVIEW UNDERTAKEN PURSUANT TO CHAPTER 343, HAWAII REVISED STATUTES";
- (2) Deleting the entire contents of this measure and replacing it with the contents of H.C.R. No. 271, H.D. 1, after making technical nonsubstantive amendments for the purposes of clarity, style, and consistency, requesting:
 - (A) The Environmental Council, with the assistance of the Office of Environmental Quality Control and the University of Hawaii Environmental Center, to develop and promulgate a guidance document on including principles of environmental justice in all phases of environmental review undertaken pursuant to Chapter 343, Hawaii Revised Statutes;

- (B) The Environmental Council to involve a wide segment of interested parties in the development of the guidance document; and
- (C) The Environmental Council to submit findings, comments, and recommendations for legislation on any need to update the State's environmental impact statement process no later than twenty days prior to the convening of the Regular Session of 2006.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 140, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 140, H.D. 1.

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

SCRep. 1752 Health/Human Services on S.C.R. No. 63

The purpose of this concurrent resolution is to designate the month of May as Mental Health Awareness Month.

The Department of Health, Hawaii Medical Service Association, Hawaii Psychological Association, Hawaii Disabilities Rights Center, Mental Health Association of Hawaii, National Alliance for the Mentally Ill Oahu, and two concerned individuals provided testimony in support of this measure.

Your Committee finds that there is still a stigma and discrimination associated with mental illness, and that the designation of the month of May as Mental Health Awareness Month in Hawaii will increase public awareness that having a mental illness is a treatable condition.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 63 and recommend its adoption.

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

SCRep. 1753 Judiciary on S.C.R. No. 200

The purpose of this concurrent resolution is to request the Legislative Reference Bureau (LRB) to study the feasibility of encouraging stem cell research in the state, and to report its findings and recommendations to the Legislature prior to the 2006 Regular Session.

The University of Hawaii (UH) John A. Burns School of Medicine and the Hawaii Institute for Public Affairs testified in support of this measure. LRB, Hawaii Family Forum, and the Hawaii Catholic Conference offered comments.

Your Committee has amended this measure by:

- (1) Replacing LRB with UH as the entity requested to conduct the study on the feasibility of stem cell research in the state;
- (2) Specifying that in examining financial resources for stem cell research in Hawaii, UH is requested to provide an estimate of the cost of stem cell research;
- (3) Requesting UH to host a series of public forums on stem cell research; and
- (4) Making 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 concurs with the intent and purpose of S.C.R. No. 200, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 200, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Kanoho and Souki.

SCRep. 1754 Judiciary on S.C.R. No. 141

The purpose of this concurrent resolution is to request the Governor to establish a task force to:

- (1) Study and determine whether classification of the offenses of assault and terroristic threatening based on the occupation of the victim is still necessary; and
- (2) Clarify or establish criteria for an occupation's inclusion as a specially protected class if the task force determines that retention of this classification is necessary.

The Department of the Prosecuting Attorney of the City and County of Honolulu and the Honolulu Police Department testified in opposition to this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 141, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Kanoho and Souki.
(Representatives Marumoto and Thielen voted no.)

SCRep. 1755 Finance on S.C.R. No. 7

The purpose of this concurrent resolution is to request the Department of Health to propose and develop a comprehensive statewide strategic plan to address prevention and treatment of childhood obesity and promote healthy lifestyles in Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 7, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Carroll, Karamatsu, Kawakami, Meyer and Moses.

SCRep. 1756 Finance on S.C.R. No. 48

The purpose of this concurrent resolution is to request the Oahu Metropolitan Planning Organization to identify, in their current comprehensive study, possible solutions to the traffic problems in Mililani Mauka, taking into account the growth and other changes that have occurred since it opened.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 48 and recommends its adoption.

Signed by all members of the Committee except Representatives Carroll, Karamatsu, Kawakami, Meyer and Moses.

SCRep. 1757 Finance on S.C.R. No. 79

The purpose of this concurrent resolution is to request that the Executive Office on Aging, in collaboration with the Real Estate Commission, convene a task force to develop a program and reference guide to assist in the dissemination of information regarding the issues, needs, and concerns related to aging-in-place, particularly in condominiums, housing cooperatives, and other high density living environments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 79, S.D. 1, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Carroll, Karamatsu, Kawakami, Meyer and Moses.

SCRep. 1758 Finance on S.C.R. No. 96

The purpose of this concurrent resolution is to request that the City and County of Honolulu, County of Maui, County of Kauai, and County of Hawaii develop a strategic plan in their respective county for senior transportation options.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 96 and recommends its adoption.

Signed by all members of the Committee except Representatives Carroll, Karamatsu, Kawakami, Meyer and Moses.

SCRep. 1759 Finance on S.C.R. No. 100

The purpose of this concurrent resolution is to express the Legislature's strong support for the CDBG program and urge Hawaii's Congressional Delegation to oppose the elimination of this valuable program and to support its restoration into the Housing and Urban Development budget at its current funding level of \$4.7 billion.

Testimony in support of this concurrent resolution was received by Catholic Charities Hawai'i and the Hawai'i Home Ownership Center.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 100 and recommends its adoption.

Signed by all members of the Committee except Representatives Carroll, Karamatsu, Kawakami, Meyer and Moses.

SCRep. 1760 Finance on S.C.R. No. 183

The purpose of this concurrent resolution is to request the University of Hawaii to form and lead a task force on economic development, workforce development, and the role of the University of Hawaii in the economic future.

Testimony in support of this concurrent resolution was received by the Workforce Development Council.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 183, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Carroll, Karamatsu, Kawakami, Meyer and Moses.

SCRep. 1761 Finance on S.C.R. No. 195

The purpose of this concurrent resolution is to request the Department of Health, State Health Planning and Development Agency (SHPDA) to identify and evaluate the barriers to community-based access to specialty care and make recommendations to improve access to specialty care on the neighbor islands and in rural Oahu.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 195, S.D. 1, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Carroll, Karamatsu, Kawakami, Meyer and Moses.

SCRep. 1762 Finance on S.C.R. No. 227

The purpose of this concurrent resolution is to request the Department of Health to convene a task force to work with the Healthy Start programs in restructuring the program for greater effectiveness.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 227, S.D. 1, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Carroll, Karamatsu, Kawakami, Meyer and Moses.

SCRep. 1763 Finance on S.C.R. No. 132

As received by your Committee on Finance, the purpose of this concurrent resolution was to request the Healthcare Association of Hawaii to establish a task force to design a system for reporting hospital-acquired infections to the public.

In order to solicit public input, your Committee on Finance heard this concurrent resolution as a proposed draft, which replaced the current contents with the contents of house concurrent resolution (HCR) 103. HCR 103 requires the Office of the Auditor to conduct a management, program, and financial audit of the Department of Hawaiian Home Lands.

Your Committee notes that testimony in support of HCR 103 was received by the State Representative of the 44th District, the Department of Hawaiian Home Lands and an individual at a hearing held on March 30, 2005 by your Committee on Hawaiian Affairs.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 132, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 132, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Karamatsu, Kawakami, Meyer and Moses.

SCRep. 1764 Water, Land, & Ocean Resources on S.C.R. No. 143

The purpose of this concurrent resolution is to assist in the building of Hawaii's reef ecosystem by requesting the Department of Land and Natural Resources to actively participate in the federal program to use scrapped federal ships for the establishment of artificial reefs.

The Department of Land and Natural Resources and a concerned individual testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 143 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1765 Water, Land, & Ocean Resources on S.C.R. No. 177

The purpose of this concurrent resolution is to protect Kawai Nui Marsh (Marsh) by urging the City and County of Honolulu, the State of Hawaii, and the United States Army Corps of Engineers to resolve the land-ownership issues involving the Marsh to protect and preserve the natural resources of the Marsh.

The Kailua Bay Advisory Council and Hawaii's Thousand Friends testified in support of this concurrent resolution. Windward Ahupua'a Alliance supported this measure and suggested an amendment. Kawai Nui Heritage Foundation supported the intent of this concurrent resolution. The Department of Land and Natural Resources opposed this measure.

The Marsh is the largest remaining wetland in Hawaii and provides an important habitat for four endangered species of native Hawaiian water birds. It also serves as a critical flood control basin that protects the lower-lying areas of urban Kailua and the water quality of Kailua Bay. Recently, the Marsh was designated by the Convention of Wetlands of International Importance as one of three wetlands of international importance in the United States.

Among others, the State, the United States Army Corps of Engineers (Corps), and the City and County of Honolulu (C&C) have contributed to the protection and preservation of the Marsh. The Marsh is affected by the Kawai Nui Flood Control Project, a facility authorized and constructed by the Corps. The State must acquire the 749 acres of Marsh lands owned by C&C to fully implement the Kawai Nui Marsh Master Plan.

Your Committee respectfully requests that the parties involved in the protection and preservation of Kawai Nui Marsh report the results of their discussions to the Legislature.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 177, S.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1766 Water, Land, & Ocean Resources on S.C.R. No. 137

The purpose of this concurrent resolution is to recognize the lead role of the Coastal Zone Management Program (Program) regarding coastal zone management issues pursuant to chapter 205A, Hawaii Revised Statutes.

This measure:

- (1) Specifically recognizes the Program as the coordinator of all ocean and coastal resources management efforts, including revising and implementing the Ocean Resources Management Plan (Plan);
- (2) Encourages all state and county agencies engaged in ocean and coastal resources management to work with the Program, as the lead agency, in updating and implementing the Plan;
- (3) Requests the Program to consider certain ocean resources policies; and
- (4) Invites the Program to brief the Legislature on its efforts.

The Office of Planning (OP) testified in support of this concurrent resolution.

Your Committee finds that on January 6, 2005, the Governor, by executive order, established the Hawaii Ocean and Coastal Council (Council) to address the State's ocean and coastal matters. Although there have been concerns about the duplication of effort, OP testified that the Council's role would complement the Program's advisory group structure in terms of function and composition. Moreover, the duties and responsibilities of the Council are temporary.

Your Committee has amended this measure by making technical, nonsubstantive amendments for consistency and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 137, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 137, H.D. 1.

Signed by all members of the Committee.

SCRep. 1767 Water, Land, & Ocean Resources on S.C.R. No. 207

The purpose of this concurrent resolution is to address the maintenance of and water allocation from the Molokai Irrigation System (System) by requesting the Department of Agriculture (DOA) to work with the Legislature to create a proposal to improve the management of the System.

The Hawaii Crop Improvement Association testified in support of this concurrent resolution. The Department of Hawaiian Home Lands (DHHL) supported the intent of this measure. DOA and the Hawaii Farm Bureau Federation offered comments.

The Hawaiian Homes Commission Act, as amended, among other things, allowed the construction of irrigation projects on Hawaiian home lands and the prior right of the Hawaiian Homes Commission and its lessees to two-thirds of the water developed from an irrigation system on certain parts of Molokai, subject to a showing of actual need.

The Department of Land and Natural Resources was unable to adequately maintain the System, and in 1989, responsibility for the System was transferred to DOA. Lack of staffing to monitor the System has resulted in net losses to the water system. Consequently, farms on Hawaiian home lands have had to sharply curtail the use of irrigation water, resulting in reduced crop yields, and that has raised a parity issue regarding water restrictions between agriculture and resort uses.

The System's service area includes more than 7,600 acres that are under DHHL's jurisdiction. Your Committee finds that the existing condition of the System discourages Hawaiian homesteaders from increasing agricultural production.

Your Committee has amended this concurrent resolution by:

- (1) Deleting the provisions that request the creation of a proposal to improve the management of the System;
- (2) Requesting DOA's Resource Management Division to work with the Molokai Irrigation System Water Users Advisory Board and the Office of Hawaiian Affairs to study the specific concerns and needs of homestead users;
- (3) Changing the title to read: "REQUESTING THE DEPARTMENT OF AGRICULTURE RESOURCE MANAGEMENT DIVISION TO WORK WITH THE MOLOKAI IRRIGATION SYSTEM WATER USERS ADVISORY BOARD AND THE OFFICE OF HAWAIIAN AFFAIRS TO STUDY THE SPECIFIC CONCERNS AND NEEDS OF HOMESTEAD USERS ON MOLOKAI";
- (4) Specifying that it is the agricultural activity of all system users taken together which makes agriculture so significant to Molokai's economy and allows many support services and farm operations to remain viable; and
- (5) Making technical, nonsubstantive amendments for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 207, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached thereto as S.C.R. No. 207, H.D. 1.

Signed by all members of the Committee.

SCRep. 1768 Water, Land, & Ocean Resources on S.C.R. No. 147

The purpose of this concurrent resolution is to address concerns raised regarding the fiscal and management practices of the Division of Conservation and Resources Enforcement (DOCARE) of the Department of Land and Natural Resources (DLNR) by requesting the Auditor to conduct a financial and management audit of DOCARE.

A concerned individual supported this measure. DLNR, Windward Ahupuaa Alliance, and The Nature Conservancy of Hawaii offered comments.

Your Committee notes that an audit that covers DLNR in its entirety, instead of one specific division, would provide a broader, more thorough understanding of the problems and concerns that exist within DLNR.

Accordingly, your Committee has amended this concurrent resolution by:

- (1) Changing its title to read: "REQUESTING AN AUDIT OF THE DEPARTMENT OF LAND AND NATURAL RESOURCES;" and
- (2) Deleting its contents and inserting the substance of H.C.R. No. 200, H.D.1, which requests the Auditor to conduct an audit of DLNR that addresses, at a minimum, the following:
 - (a) The missions and operations of DLNR;
 - (b) Performance indicators developed by DLNR;
 - (c) DLNR's financial plans to match funding with programming;
 - (d) Policies and procedures, management and personnel guidelines, and enforcement mechanisms to align staff performance with plans and budget requests;
 - (e) Programs and agreements that DLNR initiates or maintains with other agencies also charged with responsibility to sustain Hawaii's natural resources;
 - (f) Analysis of optimal funding levels and potential funding sources; and
 - (g) Any other issues that the Auditor deems appropriate to audit.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 147, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 147, S.D. 1, H.D. 1.

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

SCRep. 1769 Water, Land, & Ocean Resources on S.C.R. No. 134

The purpose of this concurrent resolution is to facilitate the lease of a new site for Honolulu Marine, Inc. (Honolulu Marine) to conduct its commercial ship repair operations by authorizing the Department of Land and Natural Resources (DLNR) to lease fast and submerged lands at Keehi Small Boat Harbor to Honolulu Marine.

DLNR, Hawaii Community Development Authority (HCDA), Hawaii Boaters Political Action Association, Paradise Cruise, Ltd., Maritime Consultants of the Pacific, Honolulu Marine, Pacific Steel, and four concerned individuals testified in support of this concurrent resolution. Capitol Consultants of Hawaii opposed this measure.

Honolulu Marine presently holds a waterfront-parcel lease from the Harbors Division of the Department of Transportation (DOT) that expires in 2021. The parcel is within the Kakaako business district that HCDA is tasked with redeveloping. HCDA has notified Honolulu Marine that it must vacate its present location as soon as possible.

Honolulu Marine, working with HCDA and DOT, has identified, as suitable for its operations, certain fast and submerged lands adjacent to the Keehi Small Boat Harbor that is under the management of DLNR's Division of Boating and Ocean Recreation.

DLNR is statutorily authorized to lease fast lands. However, section 171-53(c), Hawaii Revised Statutes, requires the prior approval of the Governor and the Legislature through the adoption of a concurrent resolution to lease submerged lands.

Your Committee finds that authorizing DLNR to lease both the fast and submerged lands at Keehi Small Boat Harbor to Honolulu Marine will have multiple incidental benefits to the State, including the generation of revenues and the mitigation of chronic criminal activity in the area.

Finally, as the leasing of these fast and submerged lands proceeds, your Committee encourages DLNR to pay careful attention to protecting existing recreational uses. Your Committee also urges the Board of Land and Natural Resources to perform its fiduciary duty by obtaining a fair market rent for these properties.

After careful consideration, your Committee has amended this concurrent resolution by clarifying that the submerged lands located within tax map key 1-2-25-24 comprise approximately 20,800 square feet.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 134, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 134, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Evans, Waters and Meyer.

SCRep. 1770 Legislative Management on S.C.R. No. 95

The purpose of this concurrent resolution is to support efforts to educate older adults about the law-making process by urging the Kokua Council to convene the 2005 Model Legislature.

The Executive Office on Aging testified in support of this concurrent resolution.

The purpose of the 2005 Model Legislature is to provide learning opportunities for older adults to develop their leadership and citizen participation skills. Supported by a grant obtained by Kokua Council, the 2005 Model Legislature will be patterned after the highly successful Oahu Silver Legislature, which was organized by the City and County of Honolulu in 1993 and again in 1994. Organizers hope this process will identify, train, and motivate a cadre of new legislative advocates to participate in the law-making process at the State Capitol.

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 S.C.R. No. 95 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1771 Legislative Management on S.C.R. No. 106

The purpose of this concurrent resolution is to ensure that Hawaii has a government purchasing system that is uniform, fair, and comprehensive. This measure requests the convening of a joint legislative task force to review the Hawaii Public Procurement Code, specifically:

- (1) The statutory exemptions to chapter 103D, Hawaii Revised Statutes, as well as administrative exemptions, for possible repeal; and
- (2) Concerns raised by the University of Hawaii (UH), Natural Energy Laboratory of Hawaii Authority, High Technology Development Corporation, Hawaii Strategic Development Corporation, Hawaii Health Systems Corporation (HHSC), and the counties.

The task force is also requested to recommend amendments to minimize the cumbersome and time-consuming procurement requirements and allow for more purchasing flexibility.

The State Procurement Office, three members of the HHSC Board of Directors, two regional chief executive officers of HHSC, and a concerned individual testified in support of this concurrent resolution. The Department of Accounting and General Services supported the intent of this measure. UH offered comments.

Your Committee believes that the task force may benefit from the assistance of active practitioners in federal and county procurement.

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 S.C.R. No. 106, S.D. 2, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1772 Tourism & Culture on S.C.R. No. 40

The purpose of this concurrent resolution is to assist Hawaii's tourism industry by requesting the Department of Business, Economic Development, and Tourism (DBEDT) to conduct a carrying capacity study to determine the maximum capacity for tourists in the State, taking into consideration the most recent sustainability study conducted by DBEDT and any other information necessary to complete the carrying capacity study.

The Hawaii Tourism Authority (HTA) opposed this measure.

Your Committee distributed a proposed H.D. 1 for this measure for public review and consideration. HTA and DBEDT supported the proposed H.D. 1.

Accordingly, your Committee has amended this measure by deleting its contents and inserting the provisions of the proposed H.D. 1 that request DBEDT to, among other things:

- (1) Study the possible impact to Hawaii of the non-extension of the deadline for biometrically-enabled passports for visitors to Hawaii from Visa Waiver program countries, including Japan; and
- (2) Provide any data and findings regarding the possible economic impact of the non-extension of the deadline to Hawaii's Congressional delegation, the U.S. Department of State, U.S. Department of Commerce, and the U.S. Department of Homeland Security to assist in efforts to extend the deadline for compliance with the

requirement for biometrically-enabled passports beyond October 26, 2005, to a date no earlier than March 31, 2006.

In addition, your Committee has amended the title of the concurrent resolution to read:

"REQUESTING THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM TO STUDY THE POSSIBLE IMPACT OF NON-EXTENSION OF THE DEADLINE FOR BIOMETRICALLY-ENABLED PASSPORTS AND TO PROVIDE ANY DATA AND FINDINGS TO HAWAII'S CONGRESSIONAL DELEGATION, AND THE U.S. DEPARTMENTS OF STATE, COMMERCE, AND HOMELAND SECURITY TO ASSIST EFFORTS IN EXTENDING THE DEADLINE, FOR VISA WAIVER PROGRAM COUNTRIES, FOR COMPLIANCE WITH THE REQUIREMENT FOR ISSUANCE OF BIOMETRICALLY-ENABLED PASSPORTS."

As affirmed by the record of votes of the members of your Committee on Tourism & Culture that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 40, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 40, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Magaoay, Yamashita and Marumoto.

SCRep. 1773 Tourism & Culture/International Affairs on S.C.R. No. 155

The purpose of this concurrent resolution is to promote sports in Hawaii by requesting the Department of Business, Economic Development, and Tourism (DBEDT) and the Hawaii Tourism Authority (HTA) to convene a work group to examine the feasibility of hosting an international Pacific-Asian Youth Baseball League Championship Tournament in Hawaii.

Hawaii Winter Baseball, Asia-Pacific Exchange & Development, and Babe Ruth Hawaii supported this concurrent resolution. DBEDT supported the intent of this measure. HTA opposed this concurrent resolution.

As affirmed by the records of votes of the members of your Committees on Tourism & Culture and International Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 155, S.D. 1, and recommend its adoption.

Signed by all members of the Committee except Representatives Arakaki, Green, Magaoay, Yamashita and Ching.

SCRep. 1774 Tourism & Culture/Water, Land, & Ocean Resources on S.C.R. No. 42

The purpose of this measure is to:

- (1) Request the Department of Taxation to enforce the collection of the transient accommodations tax on unregistered vacation rentals; and
- (2) Request the counties to enforce the zoning laws against illegal operations of vacation rentals.

The Department of Planning and Permitting of the City and County of Honolulu, HGEA/AFSCME, Local 152, AFL-CIO, Kailua Neighborhood Board, Keep It Kailua, a member of the Maui County Council, and two concerned individuals supported this concurrent resolution. The Bed & Breakfast/Transient Vacation Unit Licensing Committee, Goodwill Anderson Quinn & Stifel, a member of the Maui County Council, and numerous concerned individuals opposed this measure. The Department of Taxation and a member of the Maui County Council supported the intent of this measure. Several concerned individuals offered comments.

Your Committee finds that in addition to requesting the Department of Taxation to enforce collection of transient accommodations tax on vacation rentals and bed and breakfast homes, it is also the intent of this measure to request the counties to do what they are supposed to do in policing compliance with regulations for vacation rentals and bed and breakfast operations. To that effect, your Committee has amended this measure by among other things:

- (1) Changing the title to:

"REQUESTING THE DEPARTMENT OF TAXATION TO ENFORCE THE COLLECTION OF THE TRANSIENT ACCOMMODATIONS TAX ON VACATION RENTALS AND BED AND BREAKFAST HOMES; AND REQUESTING THE COUNTIES TO DETERMINE AND ESTABLISH APPROPRIATE REGULATORY REQUIREMENTS FOR THE OPERATIONS OF VACATION RENTALS AND BED AND BREAKFAST OPERATIONS.";
- (2) Including bed and breakfast homes in the Department of Taxation's collection of the transient accommodations tax;
- (3) Removing references to the counties' enforcement of their respective zoning laws and regulations, so as to not risk putting people out of business;
- (4) Requesting the counties to determine and establish appropriate regulatory requirements for the operation of vacation rentals and bed and breakfast homes; and
- (5) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Tourism & Culture and Water, Land, & Ocean Resources that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 42, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 42, S.D.1, H.D.1.

Signed by all members of the Committee except Representatives Abinsay, Berg, Carroll, Magaoay, Morita, Wakai, Marumoto and Meyer.

SCRep. 1775 Housing on S.C.R. No. 21

The purpose of this concurrent resolution is to increase the availability of affordable housing by requesting the United States Congress to:

- (1) Continue its review of the issue of; and
- (2) Consider further legislation for,

affordable and adequate intergenerational housing, including housing for grandparent-headed and relative-headed households.

The Kokua Council testified in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 21 and recommends its adoption.

Signed by all members of the Committee except Representatives Arakaki, Kawakami, Sonson and Pine.

SCRep. 1776 Housing/Water, Land, & Ocean Resources on S.C.R. No. 186

The purpose of this concurrent resolution is to request federal, state, and county governments and community partners to:

- (1) Designate public areas and public facilities as places the homeless can stay under supervision;
- (2) Educate the homeless that these sites are temporary and not permanent and to offer assistance in locating permanent housing; and
- (3) Develop a policy to limit the hours homeless may use the designated sites, and adopt a policy to address the issue of separating individuals, couples, and families within the designated sites.

The Hawaii Youth Services Network, Kokua Council, and many concerned individuals testified in support of this concurrent resolution. A concerned individual opposed this measure. The Board of Land and Natural Resources does not concur with this concurrent resolution.

Your Committees have amended this concurrent resolution by:

- (1) Changing its title to read, "URGING THE FEDERAL, STATE, AND COUNTY GOVERNMENTS TO WORK TOWARD MORE HUMANE ALTERNATIVES TO RELOCATING HOMELESS PEOPLE FROM PUBLIC AREAS";
- (2) Clarifying that the requested groups designate public areas and facilities where the homeless can stay under existing health and safety rules and regulations;
- (3) Removing the provision that the areas should be designated within a certain amount of time;
- (4) Transmitting certified copies of the concurrent resolution to additional groups and individuals; and
- (5) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Housing and Water, Land, & Ocean Resources that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 186, S.D. 1, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 186, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Arakaki, Kanoho, Kawakami, Sonson, Waters, Meyer and Pine.

SCRep. 1777 Agriculture/Economic Development & Business Concerns on S.C.R. No. 208

The purpose of this measure is to support and encourage Hawaii's agricultural community's efforts toward successful co-existence in a diversified agriculture industry.

Specifically, the measure supports the agricultural community's efforts to:

- (1) Promote diverse farming methods, practices, and crops;
- (2) Recognize the economic value of diversified agricultural industry supported by mutually supportive co-existence among its sectors; and
- (3) Appreciate the value and importance of agricultural research for the benefit of all farmers.

The measure also requests the Hawaii Farm Bureau Federation to bring stakeholders together in a meaningful process toward co-existence and report its findings to the Department of Agriculture. The measure further requests that the Department of

Agriculture, upon receiving the report from the Hawaii Farm Bureau Federation, hold a public meeting to allow the public an opportunity to receive the findings and recommendations.

The Department of Agriculture, the Department of Business, Economic Development and Tourism, the University of Hawaii College of Tropic Agriculture and Human Resources, the Hawaii Farm Bureau, the Big Island Farm Bureau, Maui County Farm Bureau, the Hawaii Agriculture Research Center, the Hawaii Alliance for Responsible Technology and Science, the Hawaii Crop Improvement Association, Pioneer Hi-Bred International, Inc., Tropical Hawaiian Products, and several individuals submitted testimony in support of the measure. Life of the Land supported the measure with amendments.

Testimony in opposition to the measure was received from the Hawaii Organic Farmers Association, the Respiratory and Environmental Disabilities Association of Hawaii, GMO-Free Hawaii, and several individuals.

Your Committees have amended the measure by deleting references to Enterprise Honolulu and the Hawaii Institute for Public Affairs as two of the entities seeking to establish a broad-based dialogue on agricultural biotech and inserting therefor references to genetically modified organism-free, organic, and conventional farmers as parties interested in establishing such a dialogue. Your Committees have also clarified that the purpose of conducting the public hearing by the Department of Agriculture is to provide the public with an opportunity to comment on the findings made by the Hawaii Farm Bureau Federation, not just to receive the report. Your Committees also have corrected a typographical error and made 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 Economic Development & Business Concerns that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 208, S.D. 1, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 208, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Chang, Karamatsu, Magaoay, Marumoto and Stonebraker.

SCRep. 1778 Hawaiian Affairs/Housing/Water, Land, & Ocean Resources on S.C.R. No. 178

The purpose of this concurrent resolution is to support the efforts of the current lessees of Waiahole and Waikane Valleys in Windward Oahu to continue to occupy their residential and agricultural lots. This measure:

- (1) Opposes the transfer of the Waiahole Valley Agricultural Park and residential lots subdivision by the Housing and Community Development Corporation of Hawaii (HCDCH) to the Department of Hawaiian Home Lands (DHHL); and
- (2) Requests HCDCH to rescind its December 30, 2004, agreement to transfer its fee interest to DHHL.

Many residents of Waiahole and Waikane Valleys testified in support of this concurrent resolution. HCDCH and DHHL offered comments.

Your Committees find that in 1998, tenants of Waiahole and Waikane Valleys negotiated long-term leases for residential and agricultural lots with the State. However, in 2004, HCDCH, the lessor, agreed to transfer its fee interest in properties in Waiahole Valley to DHHL. Tenants are concerned that DHHL will eventually seek to evict lessees in Waiahole Valley.

Your Committees have amended this concurrent resolution by:

- (1) Clarifying that the date of the agreement between the State and Waiahole-Waikane Community Association members was September 28, 1995; and
- (2) Making technical, nonsubstantive amendments clarity, consistency, and style.

Based on the testimony, your Committees encourage increased communication between HCDCH, the Waiahole-Waikane Community Association, and others as it relates to this issue.

Finally your Committees note that the Legislature recognizes the need to sustain the agriculture productivity of the lands of Waiahole and Waikane Valleys. Furthermore, this issue represents the recognition of the farmers' commitment to agriculture and is a symbol of the kind of interdependent community that many of us strive for.

The unique interrelationship of the residents of the Waiahole-Waikane community is a perfect example of the kind of lifestyle valued in Hawaii that needs to be sustained.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs, Housing, and Water, Land, & Ocean Resources that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 178, S.D. 1, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 178, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Arakaki, Hale, Sonson, Waters, Pine and Thielen.

SCRep. 1779 Transportation on S.C.R. No. 27

The purpose of this measure is to request the Department of Transportation to study and evaluate existing traffic conditions in South Kona and prepare a traffic solution plan to minimize existing and future traffic problems in the area.

Your Committee received favorable testimony on this Concurrent Resolution from the Department of Transportation.

Your Committee finds that the state highway traffic corridor in South Kona has experienced increased traffic congestion due to a growing population and increased development in the area. To address this concern, the Concurrent Resolution requests the

Department of Transportation to study and evaluate existing traffic conditions in the area, compare the data with current and projected population data, and develop a traffic solution plan that will accommodate the present and future needs of the South Kona community.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 27, S.D. 2, and recommends its adoption.

Signed by all members of the Committee except Representatives Caldwell and Shimabukuro.

SCRep. 1780 Transportation on S.C.R. No. 221

The purposes of this concurrent resolution are to request:

- (1) The Department of Transportation to:
 - (A) Update the Hawaii Commercial Harbors 2020 Master Plan; and
 - (B) Establish a centralized statewide cargo and passenger ship arrival and departure scheduling system to coordinate and improve the efficiency of ship movements among the harbors of the State; and
- (2) The Office of Planning to conduct a comprehensive study of current and anticipated harbor uses on Oahu by developing recommendations for improving harbor efficiency and effectiveness, including the optimum use of Piers 1 and 2, while maintaining options for non-cargo uses in urban Oahu.

Your Committee finds that Hawaii imports about eighty per cent of its food and merchandise, with about eighty-five per cent of that volume, including building materials, cars, and fuel, shipped by sea. Your Committee notes that the harbors of the State, particularly Honolulu Harbor, are nearing their maximum capacity, bearing a mix of cargo vessels, large passenger cruise ships, and other assorted uses. Your Committee is concerned that this mixed use of our state harbors, particularly with regard to cargo, is nearing a crisis situation.

Your Committee received testimony in support of this measure from NCL America, Hawaii Ship Agents Association, Matson Navigation Company, Young Brothers, Limited, and the Chambers of Commerce of Hawaii all submitted testimony in support of this measure; however, they all agreed that the Department of Transportation and not the Office of Planning should be responsible for conducting the comprehensive study of current and anticipated harbor uses. The Department of Transportation submitted testimony supporting the updating of the harbor plans; however, it opposed the establishment of a centralized statewide cargo and passenger scheduling system. Finally, the Office of Planning submitted testimony in support of the overall concept of this measure; however, it expressed concern that, at present staff levels, the requirement of conducting a comprehensive study of current and anticipated harbor uses on Oahu could jeopardize the effectiveness of completing the Office of Planning's core mission assignments.

Your Committee has amended this measure by requesting the Department of Transportation, rather than the Office of Planning, to conduct the comprehensive study of current and anticipated harbor uses on Oahu. Your Committee has also made technical nonsubstantive amendments for purposes of style and consistency.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 221, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 221, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Caldwell and Shimabukuro.

SCRep. 1781 Judiciary on S.C.R. No. 197

The purpose of this concurrent resolution is to request the Director of Health to convene a Medical Marijuana Working Group to make recommendations to improve Hawaii's Medical Marijuana Program.

The Drug Policy Action Group, Drug Policy Forum of Hawaii, and a concerned individual testified in support of this concurrent resolution. The Department of Health and Department of Public Safety opposed this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 197, S.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho and Souki.

SCRep. 1782 Public Safety & Military Affairs on S.C.R. No. 70

The purpose of this measure is to request Hawaii's congressional delegation to reevaluate the federal Department of Defense's armed forces enlistment policy for homeschoolers.

Your Committee received favorable testimony from the Christian Homeschoolers of Hawaii.

Your Committee finds that the Department of Defense has changed the armed forces enlistment policy for recruits that receive their education at home. In the past, tier one homeschoolers who scored above fifty on the Armed Forces Qualifications Test were assured entry into the armed services. The Department of Defense has since changed its policy and now requires tier-one homeschoolers to provide additional evidence of academic achievement, even though homeschool graduates who scored above fifty on the Armed Forces Qualifications Test had nearly identical attrition rates with both private and public high school graduates.

Additionally, a home school graduate with an average Armed Forces Qualifications Test score of 59.3 is identical to a public school graduate. Homeschoolers also perform better than public school graduates on a variety of achievement tests. Also, homeschoolers are twice as likely to take a college entrance exam as the general population and homeschoolers are more likely to pursue postsecondary studies than regular high school graduates.

By requesting Hawaii's congressional delegation to reevaluate the Department of Defense's enlistment policy for homeschoolers, this Concurrent Resolution seeks to level the playing field for homeschooled armed forces recruits so that they are treated fairly and recruited under the same standards as regular high school graduates.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 70, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Nakasone, Souki and Stonebraker.

SCRep. 1783 Public Safety & Military Affairs on S.C.R. No. 128

The purpose of this measure is to request the Department of Public Safety and the Department of Human Services to establish a task force with community partners to identify and develop appropriate programs and support services for children of incarcerated parents, as well as programs to strengthen the family bond.

Testimony in support of this measure was offered by the Department of Public Safety and the Hawaii Youth Services Network.

Your Committee finds that the five thousand children in Hawaii with a parent in prison are at greater risk for academic failure, substance abuse, and behavior problems, including criminal conduct. Studies have shown that increased contact between children and the incarcerated parent reduces the risks of adverse impact on the child and provides an incentive to the parent to address the problems that brought them to prison in the first place.

Your Committee further finds that the proposed task force will help assess the need of families to support children of incarcerated parents and will help develop programs to assist both the children and the parents, thereby strengthening the family bond. These include specialized visitation and reintegration programs.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 128, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Nakasone, Souki and Stonebraker.

SCRep. 1784 Public Safety & Military Affairs on S.C.R. No. 192

The purpose of this Concurrent Resolution is to urge the Congress of the United States to authorize and appropriate funds to allow all members of the Armed Forces Reserves to have extended access to the TRICARE health care program.

Testimony in support of this measure was received from the state Department of Defense.

Your Committee finds that current law allows members of the National Guard and Reserves to receive only one year of cost-share TRICARE health benefits for each ninety-day period of active duty. Your Committee believes that providing our National Guard and Reserve members with access to TRICARE health benefits will maintain the health of our reserve component service members, increase retention and recruitment, and ensure readiness for unexpected deployments. Such access is especially warranted during this trying time of conflict in Iraq and Afghanistan, in which almost ninety per cent of our Hawaii National Guard members deployed to areas of conflict.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 192 and recommends its adoption.

Signed by all members of the Committee except Representatives Nakasone, Souki and Stonebraker.

SCRep. 1785 Finance on S.B. No. 1419

The purpose of this bill is to assist victims of sexual assault by:

- (1) Changing the name of the Domestic Violence Prevention Special Fund to the Domestic Violence and Sexual Assault Special Fund (Special Fund) and specifying that programs and contracts that support or provide sexual assault intervention or prevention be included as a use of moneys in the Special Fund;
- (2) Specifying that the annual report of the Special Fund include recommendations on how to improve services for victims of domestic violence and sexual assault;
- (3) Requiring the Department of Health (DOH) to work with service providers to develop a five-year strategic plan to reduce the incidence of domestic violence and to increase support to victims of domestic violence; and
- (4) Requiring DOH to work with sexual violence strategic planning groups to implement the recommendations of the January 2005 strategic plan entitled "Shaping Tomorrow, The Future of Sexual Violence Programs in Hawaii" that was presented by the Sexual Violence Strategic Planning Group.

The Sex Abuse Treatment Center and a concerned individual supported this bill. DOH and the Hawaii State Coalition Against Domestic Violence 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. 1419, 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 Chong, Meyer and Pine.

SCRep. 1786 Finance on S.B. No. 1478

The purpose of this bill is to authorize the State Fire Council to administer any federal grants it receives.

The State Fire Council, Hawaii Fire Chiefs Association, and a member of the Kauai Fire Department 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. 1478, 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 Carroll and Nishimoto.

SCRep. 1787 Finance on S.B. No. 61

The purpose of this bill is to allow employers to streamline their method of transmitting wage information to their employees. Specifically, this measure authorizes an employer, upon receipt of written authorization from the employee and in lieu of a printed, typewritten, or handwritten record, to furnish the employee with an electronic record that details the employee's:

- (1) Total hours worked;
- (2) Overtime hours;
- (3) Straight-time compensation;
- (4) Overtime compensation;
- (5) Other compensation;
- (6) Total gross compensation;
- (7) Amount and purpose of each deduction;
- (8) Total net compensation;
- (9) Date of payment; and
- (10) Pay period covered.

This bill also requires an employer to maintain and preserve the electronic pay record and electronic accessibility to that pay record by the employee for a period of at least six years.

The Department of Labor and Industrial Relations, Hawaii State Teachers Association, and Verizon 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. 61, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll and Nishimoto.

SCRep. 1788 Finance on S.B. No. 620

The purpose of this bill is to improve the administration of the State Council for Interstate Adult Offender Supervision (Council) by, among other things:

- (1) Establishing the duties and responsibilities of the Council's compact administrator;
- (2) Limiting the terms of members of the Council to four years, with the exception of the Director of Public Safety or the Director's designee;
- (3) Prohibiting persons from being appointed to the Council for more than two consecutive terms; and
- (4) Clarifying that the Council has the authority to appoint a deputy compact administrator for parole from the Hawaii Paroling Authority and a deputy compact administrator for probation from the Judiciary to cast a vote on behalf of the State at meetings of the Interstate Commission for Adult Offender Supervision in which the compact administrator is absent.

The Judiciary and Hawaii Paroling Authority 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. 620, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Chong.

SCRep. 1789 Finance on S.B. No. 1127

The purpose of this bill is to streamline certain purchases under the Procurement Code by:

- (1) Eliminating provisions that required offerors awarded a contract to be:
 - (A) Incorporated or organized under the laws of the State; or
 - (B) Registered to do business in the state as a separate branch or division capable of fully performing under the contract;

and
- (2) Removing small purchase procurement contracts from the list verified by the procuring officer to ensure compliance with laws governing entities conducting business in the state.

The State Procurement Office, Department of Accounting and General Services, City and County of Honolulu, and County of Hawaii testified in support of this bill. The Department of Budget and Finance supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1127, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll and Nishimoto.

SCRep. 1790 Finance on S.B. No. 1345

The purpose of this bill is to facilitate the resolution of condominium management disputes by:

- (1) Removing restrictions on the types of issues that may be considered in an administrative hearing of a condominium management dispute; and
- (2) Allowing any matter that was the subject of prior mediation of a condominium management dispute pursuant to section 514A-121.5, Hawaii Revised Statutes, to be considered in an administrative hearing of the dispute.

The Hawaii Council of Associations of Apartment Owners and Hawaii Independent Condominium & Cooperative Owners 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. 1345, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Tsuji.

SCRep. 1791 Finance on S.C.R. No. 17

The purpose of this concurrent resolution is to request the convening of a task force to consider the establishment of a uniform statewide building code in Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 17, S.D. 2, and recommends its adoption.

Signed by all members of the Committee except Representatives Carroll, Chong, Evans, Karamatsu, Lee, Nakasone and Meyer.

SCRep. 1792 Finance on S.C.R. No. 51

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources to form and chair a working group to conduct a review of issues surrounding the shoreline certification process for the purpose of establishing reasonable shoreline setbacks to protect the natural building of sandy beaches and to ensure public access along the shoreline.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 51, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Carroll, Chong, Evans, Karamatsu, Lee, Nakasone and Meyer.

SCRep. 1793 Finance on S.C.R. No. 93

The purpose of this measure is to urge the Hawaii Health Systems Corporation to establish urgent child and adolescent psychiatric services at Maui Memorial Medical Center in the form of crisis stabilization services.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 93, S.D. 2, and recommends its adoption.

Signed by all members of the Committee except Representatives Carroll, Chong, Evans, Karamatsu, Lee, Nakasone and Meyer.

SCRep. 1794 Finance on S.C.R. No. 109

The purpose of this concurrent resolution is to request that the Department of Health broaden the accessibility, distribution, and dissemination of educational material on the diagnosis, treatment, and prevention of hepatitis C. In addition, this concurrent resolution requests that the Department of Health coordinate a Hepatitis C Education Work Group.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 109, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Carroll, Chong, Evans, Karamatsu, Lee, Nakasone and Meyer.

SCRep. 1795 Finance on S.C.R. No. 173

The purpose of this measure is to request the Center for Smart Building and Community Design to develop energy efficient design standards for new and retrofitted buildings throughout the University of Hawaii system.

Your Committee received testimony in support of this measure from the Hawaiian Electric Company.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 173 and recommends its adoption.

Signed by all members of the Committee except Representatives Carroll, Chong, Evans, Karamatsu, Lee, Nakasone and Meyer.

SCRep. 1796 Finance on S.C.R. No. 197

The purpose of this measure is to request the Director of Health to convene a medical marijuana working group to make recommendations to improve Hawaii's medical marijuana program.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 197, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Carroll, Chong, Evans, Karamatsu, Lee, Nakasone and Meyer.

(Representatives Moses and Pine voted no.)

SCRep. 1797 Labor & Public Employment on S.C.R. No. 49

The purpose of this measure is to request the Department of Commerce and Consumer Affairs to actively and aggressively enforce Hawaii's electrical and plumbing licensing laws in order to ensure quality workmanship and the safety of workers and consumers.

Specifically, this measure requests the Department of Commerce and Consumer Affairs to convene a task force comprised of one representative of each of the following entities:

- (1) International Brotherhood of Electrical Workers Local 1186;
- (2) Plumbers-Fitters Local 675;
- (3) Electrical Contractors Association of Hawaii;
- (4) Plumbers and Mechanical Contractors Association of Hawaii;
- (5) Board of Electricians and Plumbers; and
- (6) Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs;

to review the Department's current efforts and practices in the enforcement of the State's electrical and plumbing licensing laws and to develop strategies to improve and strengthen these efforts and practices.

Your Committee finds that effective enforcement of the licensing laws promotes a healthy business climate for law-abiding electricians, plumbers, and electrical and plumbing contractors and protects consumers and the public. Your Committee finds that this measure is necessary to address the issue and will help to bolster the enforcement efforts of the Department of Commerce and Consumer Affairs.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 49, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Shimabukuro and Meyer.
(Representative Fox voted no.)

SCRep. 1798 Labor & Public Employment on S.C.R. No. 76

The purpose of this measure is to express legislative opposition to the privatization of social security and to urge Hawaii's congressional delegation to reject proposed changes to the social security system.

The federal social security system provides essential benefits to over 195,000 people in Hawaii, including 139,300 retired workers, 16,090 widows and widowers, 16,790 disabled workers, and 13,630 children.

Your Committee finds that proposals to privatize social security would divert more than one-third of the wage contributions made by workers into private accounts. This diversion of funds would increase the national debt by almost \$2 trillion over the next ten years and dramatically reduce benefits to many recipients in Hawaii.

This measure supports the current social security system and opposes any attempt to privatize the system or jeopardize the financial security and faith of the country's working class.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 76, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Shimabukuro and Meyer.
(Representative Fox voted no.)