

Conf. Com. Rep. 1 on S.B. No. 1483

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for Waimea Country School.

Your Committee on Conference finds that this method of funding provides worthy schools with necessary resources to fund a variety of school projects. This measure will provide the reputable institution of Waimea Country School with the resources it needs to improve its educational facilities. Thus, your Committee on Conference has amended the measure by amending its effective date to July 1, 2005.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1483, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1483, S.D. 1, H.D. 1, C.D. 1.

Representatives Takumi, Evans and Ching.
Managers on the part of the House.

Senators Sakamoto, Taniguchi, Inouye, Kokubun and Hogue.
Managers on the part of the Senate.
(Senator Kokubun was excused.)

Conf. Com. Rep. 2 on S.B. No. 77

The purpose of this measure is to require:

- (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.

Existing administrative rules provide for the requirements of vehicle identification cards and mudguards for motor carriers. Currently, however, no similar provisions exist under the current statutory law. Therefore, codification of these requirements will better enable the Department of Transportation to enforce safety regulations imposed by the Federal Motor Carrier Safety Administration.

Your Committee on Conference has amended this measure by changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 77, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 77, S.D. 1, H.D. 1, C.D. 1.

Representatives Souki, Hiraki, Luke and Moses.
Managers on the part of the House.

Senators Inouye, Espero, Menor and Whalen.
Managers on the part of the Senate.
(Senator Menor was excused.)

Conf. Com. Rep. 3 on S.B. No. 459

The purpose of this measure is to authorize the issuance of \$30,000,000 in special purpose revenue bonds to assist Hawaii Pacific Health in financing, refinancing, and reimbursing costs related to the acquisition or construction of health care facilities, development of information technology and software, and other related projects.

The bill also amends the definition of "project agreement" under the special purpose revenue bond law relating to health care facilities to include lease financing.

Your Committee on Conference amended this measure by:

- (1) Amending the definition of "health care facility", "facility", or "project" under the special purpose revenue bond law so that special purpose revenue bonds may be used for the purchase of computer software and technology; and
- (2) Amending the effective date of the measure to take effect upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 459, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 459, S.D. 2, H.D. 1, C.D. 1.

Representatives Arakaki, Nishimoto and Pine.
Managers on the part of the House.

Senators Baker, Tsutsui, Taniguchi and Whalen.
Managers on the part of the Senate.

Conf. Com. Rep. 4 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.

Your Committee on Conference finds that the prevailing practice in state and county contracts is to require the contractor to indemnify, defend, and hold harmless the government in the event of negligence of the employees and agents of the government. Your Committee further finds that this contracting practice is against public policy on the basis that every party to a contract should be liable for that party's own conduct.

Your Committee on Conference further finds that indemnity clauses are the subject of frequent litigation involving their interpretation and the true intent of the parties. Your Committee learned that "duty to defend agreements" are insurable only when the policyholder is determined to be negligent. The insurance policy does not cover a public agency for the public agency's wrongdoing.

This measure is intended to resolve these difficulties and thereby to facilitate bidding on government contracts. In doing so, it will encourage economic growth and discourage costly and time-consuming litigation.

Your Committee on Conference has amended this measure by reverting to the S.D. 1 draft.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1843, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1843, S.D. 1, H.D. 2, C.D. 1.

Representatives Herkes, Luke, Magaoay and Marumoto.
Managers on the part of the House.
(Representative Luke was excused.)

Senators Inouye, Taniguchi, Espero, Sakamoto and Slom.
Managers on the part of the Senate.
(Senator Sakamoto was excused.)

Conf. Com. Rep. 5 on S.B. No. 761

The purpose of this measure is to better enable individuals with serious mental illness to access necessary treatment by including four additional disorders within the definition of "serious mental illness" in section 431M-1, Hawaii Revised Statutes, which are obsessive compulsive disorder, dissociative disorder, delusional disorder, and major depression.

Your Committee on Conference amended this measure by amending the effective date section to provide that the measure will take effect upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 761, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 761, S.D. 2, H.D. 1, C.D. 1.

Representatives Arakaki, Hiraki, Green, Schatz and Finnegan.
Managers on the part of the House.

Senators Baker, Menor, Chun Oakland and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 6 on S.B. No. 122

The purpose of this measure is support systematic improvements to the health care system that increase patient safety by including "case review forum" in the list of proceedings protected from discovery.

Your Committee on Conference amended this measure by amending the effective date section to provide that the measure will take effect upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 122, S.D. 1, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 122, S.D. 1, H.D. 3, C.D. 1.

Representatives Arakaki, Hiraki, Luke and Finnegan.
Managers on the part of the House.

Senators Baker, Hanabusa, Chun Oakland and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 7 on S.B. No. 1003

The purpose of this bill is to:

- (1) Allow eligible customer-generators of not more than 300 kilowatts to participate in the net energy metering program;
- (2) Allow 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 eligible customer-generators, provided that the maximum percentage shall not be less than .5 per cent of the utility's peak system demand;
- (3) Authorize the PUC to amend the applicable rate structure and standard contract or tariff;
- (4) Require an electric utility to provide eligible customer-generators with a twelve-month reconciliation of their consumption and production of energy; and
- (5) Clarify the policy for actions taken on credits for excess electricity generated by an eligible customer-generator that remain unused after the twelve-month reconciliation.

Your Committee finds that this measure will encourage the expansion of net energy metering as more customers will seek to take advantage of being an eligible customer-generator due to month to month carryover of unused credits for excess customer-generated electricity within a twelve-month period. Further, your Committee finds that the measure provides regulatory flexibility to the PUC in the areas of percentage of peak system demand generated by eligible customer-generators, rate structure, standard contracts, and tariffs.

Your Committee also finds that customer generating systems as large as 300 kilowatts may pose safety and reliability issues. In order to foster the growth of this program, your Committee believes that more reliable, smaller generating systems provide the best opportunity to demonstrate the viability of customer-side electrical generation.

Your Committee has amended this measure by:

- (1) Changing the capacity limit of an eligible customer-generator to fifty kilowatts; and
- (2) Changing the effective date to July 1, 2005.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1003, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1003, S.D. 2, H.D. 2, C.D. 1.

Representatives Morita, Hiraki, Herkes, Kanoho and Marumoto.
Managers on the part of the House.
(Representative Kanoho was excused.)

Senators English, Menor, Ige, Kokubun and Hemmings.
Managers on the part of the Senate.
(Senator Ige was excused.)

Conf. Com. Rep. 8 on S.B. No. 1903

The purpose of this measure is to exempt seawater air conditioning district cooling projects that use renewable energy resources to generate at least fifty percent of the energy needed for cooling system from regulation by the Public Utilities Commission.

Your Committee on Conference has amended this measure by changing its effective date to take effect upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1903, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1903, S.D. 1, H.D. 1, C.D. 1.

Representatives Herkes, Morita, Hiraki and Stonebraker.
Managers on the part of the House.
(Representative Stonebraker was excused.)

Senators Kokubun, English, Menor and Hemmings.
Managers on the part of the Senate.
(Senator Menor was excused.)

Conf. Com. Rep. 9 on S.B. No. 76

The purpose of this measure is to clarify the penalties for motor vehicle size and weight violations.

The law currently provides that fines for violating vehicle size requirements; vehicle gross weight, axle, and wheel load requirements; or any exceptions to the vehicle requirements, shall be no more than \$600 and no less than the amounts set forth in section 291-37, Hawaii Revised Statutes. This measure removes the \$600 "maximum fine" requirement for first violations.

Your Committee on Conference has amended this measure by:

- (1) Making a conforming amendment in terminology relating to the fine; and
- (2) Changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 76, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 76, S.D. 1, H.D. 1, C.D. 1.

Representatives Souki, Luke, Lee and Moses.
Managers on the part of the House.

Senators Inouye, Espero, Menor and Whalen.
Managers on the part of the Senate.
(Senator Menor was excused.)

Conf. Com. Rep. 10 on S.B. No. 1378

The purpose of this measure is to statutorily designate the path that runs from Halawa Landing to Waipahu as the Pearl Harbor Historic Trail, in order to meet the necessary requirements for federal funding opportunities to support the planning, construction, and completion of the trail.

Your Committee has amended this measure by changing its effective date to "upon its approval."

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1378, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1378, S.D. 2, H.D. 1, C.D. 1.

Representatives Kanoho, Ito, Yamane, Karamatsu and Stonebraker.
Managers on the part of the House.
(Representative Stonebraker was excused.)

Senators Espero, Fukunaga, Taniguchi and Trimble.
Managers on the part of the Senate.
(Senator Taniguchi was excused.)

Conf. Com. Rep. 11 on S.B. No. 700

The purpose of this measure is to clarify and strengthen Hawaii's nuisance abatement law.

Specifically, this measure:

- (1) Establishes that a preponderance of the evidence is the standard of proof applicable to nuisance abatement actions;
- (2) Authorizes a court to issue a protective order to prevent the disclosure of the identity of a witness when presented with evidence of acts or prior threats of violence by any defendant or any other person in a nuisance abatement action;
- (3) Subjects an individual who knowingly violates a protective order to civil as well as criminal contempt of court; and
- (4) Enables a court to enter an order suspending or revoking any business, professional, or operational license of an entity involved in maintaining, aiding, abetting, or permitting the nuisance.

Your Committee on Conference has amended this measure by:

- (1) Limiting the scope of the protective order to defendants, and not any other person, involved in a nuisance abatement action and who have engaged in acts of violence or made prior threats of violence against a witness;
- (2) Including liquor licenses within the categories of professional and operational licenses that may be suspended or revoked by a court if the holder of the license is involved in maintaining, aiding, abetting, or permitting the nuisance; and
- (3) Making technical, non-substantive changes.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 700, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 700, S.D. 1, H.D. 1, C.D. 1.

Representatives B. Oshiro, Luke and Thielen.
Managers on the part of the House.

Senators Hanabusa, Chun Oakland, Hee and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 12 on S.B. No. 673

The purpose of this measure is to provide for the authorization and payment of claims against the State for judgments, settlements, and other miscellaneous payments.

Your Committee on Conference has amended this measure at the request of the Department of the Attorney General to include the following three claims:

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| (1) | Colleton v. State of Hawaii
Civil No. 03-1-1657-08, First Circuit | \$37,595.44
Settlement; |
| (2) | Sakaguchi v. State of Hawaii, et al.
Civil 98-1640, First Circuit
and | \$350,000.00
Settlement; |
| (3) | Bacani v. Uchida, et al.
Civil No. 02-1-2099-09, First Circuit | \$500,000.00
Settlement. |

Your Committee on Conference has also amended this measure by providing the correct case number for Brub v. State of Hawaii, et al., Civil No. 03-1-0500-03.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 673, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 673, S.D. 2, H.D. 2, C.D. 1.

Representatives Luke, Takamine and Moses.
Managers on the part of the House.

Senators Hanabusa, Taniguchi, Hee, Tsutsui and Slom.
Managers on the part of the Senate.
(Senators Tsutsui and Slom were excused.)

Conf. Com. Rep. 13 on S.B. No. 1253

The purpose of this measure is to clarify the responsibilities of school community councils.

Your Committee on Conference finds that there exists some confusion as to how school community councils are to align their plans with the complex statutory requirements of the educational accountability system. This measure clarifies the councils' duties by requiring them to ensure that the school's academic and financial plans are consistent with the educational accountability system.

Upon further consideration, your Committee on Conference has amended this measure by deleting the amendments made regarding a council's approval of a school's academic and financial plan.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1253, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1253, S.D. 1, H.D. 1, C.D. 1.

Representatives Takumi, Berg and Ching.
Managers on the part of the House.

Senators Sakamoto, Hooser, Nishihara and Hogue.
Managers on the part of the Senate.
(Senator Nishihara was excused.)

Conf. Com. Rep. 14 on S.B. No. 1685

The purpose of this measure is to allow state taxpayer information to be shared with the counties.

Presently, the counties are not allowed access to state tax information. By allowing access to such information, this bill will strengthen county collection efforts with respect to the real property tax. With the ability to access state tax information, such as whether taxpayers are residents in a particular county, the counties would be able to investigate discrepancies related to real property tax exemptions and credits. The counties would also benefit from transient accommodations tax information by being able to investigate discrepancies related to the status of real property (i.e. condominium or hotel), since the type of property determines the tax rate for that property.

Your Committee on Conference has amended this measure on the recommendation of the Department of Taxation by:

- (1) Enacting a new statutory section to allow the reciprocal supplying of real property tax information;
- (2) Clarifying the purpose section for accuracy;
- (3) Deleting references to the Multistate Tax Commission sharing information with the counties; and
- (4) Changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1685, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1685, S.D. 2, H.D. 1, C.D. 1.

Representatives Takamine, Tanaka and Fox.
Managers on the part of the House.

Senators Ige, Taniguchi, Fukunaga, Tsutsui and Slom.
Managers on the part of the Senate.
(Senator Tsutsui was excused.)

Conf. Com. Rep. 15 on S.B. No. 121

The purpose of this measure is to allow brewpubs to sell malt beverages in recyclable containers.

Specifically, this measure would allow the sale of malt beverages manufactured on the licensee's premises to consumers in recyclable containers, rather than limiting such sales to glass containers only.

Your Committee on Conference has amended this measure by:

- (1) Authorizing brewpub licensees to sell malt beverages manufactured on the licensee's premises in brewery-sealed containers to Class 2 restaurant licensees; and
- (2) Making the measure effective upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 121, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 121, H.D. 1, C.D. 1.

Representatives Herkes, Hiraki, Luke, Schatz and Ching.
Managers on the part of the House.
(Representatives Schatz and Ching were excused.)

Senators Espero, English, Hanabusa, Baker and Slom.
Managers on the part of the Senate.

Conf. Com. Rep. 16 on S.B. No. 639

The purpose of the measure is to remove the Housing and Community Development Corporation of Hawaii (HCDCH) from managing Department of Education teacher housing and authorize the department to manage the housing.

Your Committee on Conference finds that Act 51, Session Laws of Hawaii 2004, encouraged the transfer of educational functions in other departments to the Department of Education. Under the HCDCH, the teacher housing program has been an effective tool for retention and recruitment for isolated communities that have limited affordable housing for educational personnel. With concurrence from both the HCDCH and Department of Education, your Committee on Conference finds that the department is better suited to administer the program.

Upon further consideration, your Committee on Conference has amended the effective dates and required the department to submit its report to the 2007 Legislature.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 639, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 639, S.D. 2, H.D. 1, C.D. 1.

Representatives Takumi, Kahikina, Nishimoto and Ching.
Managers on the part of the House.
(Representative Ching was excused.)

Senators Sakamoto, Menor, Taniguchi, Hooser and Hogue.
Managers on the part of the Senate.
(Senator Menor was excused.)

Conf. Com. Rep. 17 on S.B. No. 693

The purpose of this measure is to facilitate fundraising through the use of charitable gift annuities by clarifying and streamlining the requirements governing nonprofit organizations.

This measure:

- (1) Requires a nonprofit educational foundation or nonprofit organization that issues charitable gift annuities:
 - (a) To calculate its reserves in accordance with mortality tables and discount rates to be determined by the Insurance Commissioner, rather than in accordance with accepted actuarial standards; and
 - (b) To file its annual compliance statement with the Attorney General by March 15th of each year; and

- (2) Provides that, in determining the appropriate reserve level, no surplus shall be required for any portion of a gift annuity that is reinsured by an authorized insurer.

Your Committee on Conference has amended this measure by retaining language in section 431:1-204(c)(1), Hawaii Revised Statutes, that requires a qualifying charity to have conducted business in the State continuously for at least ten years, and by adding language therein to clarify that the business conducted shall have been in the form of program services or fundraising activities.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 693, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 693, S.D. 1, H.D. 1, C.D. 1.

Representatives Hiraki, Luke and Stonebraker.
Managers on the part of the House.
(Representative Stonebraker was excused.)

Senators Menor, Espero and Hogue.
Managers on the part of the Senate.
(Senator Hogue was excused.)

Conf. Com. Rep. 18 on S.B. No. 754

The purpose of this measure is to conform certain insurance laws to federal law and national standards.

This measure incorporates federal and national standards into insurance code provisions relating to, among other things, the examination of domestic insurers, suspension of an insurer's certificate of authority, electronic filing of insurance policy revisions, the liquidation of an insolvent insurer, and the Interstate Insurance Product Regulation Compact.

Your Committee on Conference has amended this measure:

- (1) By deleting from proposed section 431:3-219(b), Hawaii Revised Statutes (HRS), the phrase "one-year" as it refers to original and extended suspensions of an insurer's certificate of authority, in order to be consistent with current statutory language in section 431:3-219(a), HRS, that implies that a suspension may be imposed for a period of less than one year;
- (2) By making technical, nonsubstantive amendments; and
- (3) To take effect upon its approval, rather than on July 1, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 754, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 754, S.D. 1, H.D. 1, C.D. 1.

Representatives Hiraki, Luke, Herkes and Marumoto.
Managers on the part of the House.
(Representative Herkes was excused.)

Senators Menor, Espero and Hogue.
Managers on the part of the Senate.
(Senator Hogue was excused.)

Conf. Com. Rep. 19 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, Ltd., and Hawaii Electric Light Company, Inc. with multi-project capital improvement construction programs for the furnishing of electric energy in this State.

Your Committee on Conference has amended this measure to take effect on July 1, 2005, rather than on July 1, 2010.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1117, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1117, S.D. 1, H.D. 1, C.D. 1.

Representatives Morita, Evans and Moses.
Managers on the part of the House.

Senators Menor, Taniguchi, Espero and Hogue.
Managers on the part of the Senate.

Conf. Com. Rep. 20 on S.B. No. 1349

The purpose of this measure is to allow condominium owners to review business and financial records maintained by a condominium association that pertain to time periods other than the current and prior years.

Currently, the law requires condominium associations to make available for review by condominium owners certain financial and business records that pertain to the current and prior years only. This measure repeals this limitation and requires condominium associations to make available for review all such records for as long as those records are maintained by the association.

Your Committee on Conference has amended this measure to take effect upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1349, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1349, S.D. 1, H.D. 1, C.D. 1.

Representatives Hiraki, Schatz and Stonebraker.
Managers on the part of the House.
(Representative Stonebraker was excused.)

Senators Menor, Espero and Hogue.
Managers on the part of the Senate.
(Senator Hogue was excused.)

Conf. Com. Rep. 21 on S.B. No. 1453

The purpose of this measure is to authorize the imposition of the public service company tax on a private sewer company or facility.

This measure amends the definition of "gross income" in the public service company tax law to include gross income from the operation of a private sewer company or facility. Your Committee on Conference finds that this measure supports a more equitable system of taxation by requiring private sewer companies to pay the same tax that is assessed against other sewage and wastewater treatment companies.

Your Committee on Conference as amended this measure to take effect on July 1, 2005, rather than on July 1, 2010.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1453, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1453, S.D. 2, H.D. 1, C.D. 1.

Representatives Morita, Hiraki, Takamine and Stonebraker.
Managers on the part of the House.
(Representative Stonebraker was excused.)

Senators Menor, Taniguchi, Baker and Nishihara.
Managers on the part of the Senate.

Conf. Com. Rep. 22 on S.B. No. 1018

The purpose of this measure 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).

Many independent and private preschools are either accredited or licensed by the Hawaii Association for Independent Schools, the Hawaii Council of Private Schools, or other accrediting or licensing bodies, and are also licensed by the DHS. A single licensing or accreditation program would be appealing, more efficient, and less bureaucratic when a private preschool and its programs are part of a licensed elementary school.

Your Committee on Conference has amended this measure on the recommendation of the Attorney General by:

- (1) Deleting the statutory exemption from the child care facilities law;
- (2) Deleting references to a memorandum of understanding;
- (3) Clarifying that the duty of the task force is to develop recommendations;
- (4) Requiring the task force to report its findings and recommendations to the DHS; and
- (5) Specifying that the task force report serve as a basis for legislation or administrative rule amendments by the DHS.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1018, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1018, S.D. 1, H.D. 1, C.D. 1.

Representatives Takumi, Sonson, Berg, Cabanilla and Finnegan.
Managers on the part of the House.
(Representative Cabanilla was excused.)

Senators Chun Oakland, Sakamoto, Fukunaga and Trimble.
Managers on the part of the Senate.
(Senator Trimble was excused.)

Conf. Com. Rep. 23 on S.B. No. 1772

The purpose of this measure to require each applicant for medical assistance to identify the employer of the proposed beneficiary of medical assistance. This measure also requires the Department of Human Services to submit an annual report to the Legislature that identifies all employers who employ twenty-five or more beneficiaries of medical assistance programs administered by the Department of Human Services.

Your Committee on Conference has amended this measure by:

- (1) Clarifying the applicability of confidentiality requirements established under Medicaid regulations as well as the administrative simplification provisions of the Health Insurance Portability and Accountability Act of 1996 with respect to the nondisclosure of certain identifying information of beneficiaries in the annual report to the Legislature; and
- (2) Changing the effective date to make the measure effective upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1772, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1772, S.D. 1, H.D. 2, C.D. 1.

Representatives Sonson, B. Oshiro, Takamine, Cabanilla and Finnegan.
Managers on the part of the House.
(Representative Takamine was excused.)

Senators Chun Oakland, Tsutsui, Fukunaga, Taniguchi and Trimble.
Managers on the part of the Senate.
(Senator Taniguchi was excused.)

Conf. Com. Rep. 24 on S.B. No. 1872

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist Palolo Chinese Home, a Hawaii not-for-profit corporation, and its not-for-profit subsidiaries, in financing the expansion, construction, and rebuilding of its health care facilities.

In operation since 1917, Palolo Chinese Home is Hawaii's largest and second oldest adult care home facility. Its mission is to assist and care for the aged and indigent, maintain homes for them, and alleviate their suffering and distress through works of charity, mercy, and benevolence. To fulfill this mission, Palolo Chinese Home provides the elderly with extended care and intermediate and skilled nursing care, as well as community services for those who wish to remain in their own homes, including good neighbor referral service, adult daycare, meal delivery, overnight respite services, and access to its community-based, integrated information network to services for the elderly.

Your Committee on Conference has amended this measure by authorizing the issuance of special purpose revenue bonds in the amount of \$40,000,000, and changing the effective date to July 1, 2005.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1872, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1872, H.D. 1, C.D. 1.

Representatives Kawakami, Nishimoto and Pine.
Managers on the part of the House.
(Representative Pine was excused.)

Senators Chun Oakland, Baker, Ihara, Taniguchi, Tsutsui and Trimble.
Managers on the part of the Senate.
(Senator Taniguchi was excused.)

Conf. Com. Rep. 25 on S.B. No. 1427

The purpose of this measure 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. This measure also allows agencies to offset the purchase percentage requirements for alternative fuel vehicles by successfully demonstrating percentage improvements in overall light duty vehicle fleet mileage economy.

Your Committee has taken into consideration concerns raised by the Comptroller that this measure will result in increased procurement costs for state agency vehicles. Your Committee finds that implementation of this program will result in a net savings to the State in the long run through reduced gas consumption, while demonstrating the State's commitment to reducing greenhouse gas emissions. Your Committee encourages the Department of Accounting and General Services to anticipate the procurement of highly energy-efficient vehicles pursuant to this measure in preparing its biennium budget.

Your Committee has amended this bill by changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1427, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1427, S.D. 1, H.D. 2, C.D. 1.

Representatives Morita, Evans and Thielen.

Managers on the part of the House.

Senators English, Inouye, Taniguchi and Hemmings.
Managers on the part of the Senate.
(Senator Taniguchi was excused.)

Conf. Com. Rep. 26 on S.B. No. 1877

The purpose of this measure is to clarify that the Office of Planning shall report exclusively to the Department of Business, Economic Development, and Tourism (Department) and that the Department shall have sole jurisdiction over land and state planning functions.

The measure also prohibits the transfer of any of these offices or functions to any other department by executive order and establishes that the position of Director of the Office of Planning is to be filled by appointment by the Governor with the advice and consent of the Senate.

Your Committee on Conference has amended this measure by:

- (1) Making this measure effective upon its approval; and
- (2) Making technical, nonsubstantive changes for style and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1877, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1877, H.D. 1, C.D. 1.

Representatives Herkes, Kanoho, Wakai, Evans and Marumoto.
Managers on the part of the House.
(Representative Evans was excused.)

Senators Kokubun, Taniguchi, Espero and Hemmings.
Managers on the part of the Senate.
(Senator Espero was excused.)

Conf. Com. Rep. 27 on S.B. No. 956

The purpose of this measure is to prevent the importation of agricultural pests into Hawaii by allowing the Department of Agriculture to require the identification of specific articles on bills of lading, negotiable and non-negotiable warehouse receipts, or other documents of title for inspection of pests.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 956, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 956, S.D. 1, H.D. 1, C.D. 1.

Representatives Abinsay, Tsuji and Stonebraker.
Managers on the part of the House.
(Representative Stonebraker was excused.)

Senators Kokubun, English and Hemmings.
Managers on the part of the Senate.

Conf. Com. Rep. 28 on S.B. No. 1798

The purpose of this measure is to exempt associations of apartment owners (AOAOs) from the nonprofit corporation laws governing cumulative voting to elect board directors and voting to remove a director.

This measure clarifies the scope of the Hawaii Nonprofit Corporations Act (Act), codified in chapter 414D, Hawaii Revised Statutes (HRS), by providing that the Act's provisions relating to cumulative voting to elect board directors and voting to remove a director do not apply to AOAOs organized under the laws governing condominium property regimes.

Your Committee on Conference has amended this measure by replacing its contents with language that amends chapter 514A, HRS, and corresponding provisions in Act 164, Session Laws of Hawaii 2004. As amended, this measure:

- (1) Clarifies that the removal and replacement of a member of an AOAO's board of directors require a vote of a majority of apartment or unit owners;
- (2) Authorizes cumulative voting if permitted under the bylaws and if an owner gives notice of the owner's intent to so vote before voting commences; and
- (3) Takes effect upon its approval and upon the effective date of section 2 of Act 164, Session Laws of Hawaii 2004, rather than on July 1, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1798, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1798, H.D. 1, C.D. 1.

Representatives Hiraki, Schatz and Stonebraker.
Managers on the part of the House.
(Representative Stonebraker was excused.)

Senators Menor, Espero and Hogue.
Managers on the part of the Senate.

Conf. Com. Rep. 29 on S.B. No. 1778

The purpose of this measure is to impose deadlines upon the Regulated Industries Complaints Office (RICO) for the commencement and completion of an investigation of a complaint of unlicensed contracting, and to appropriate funds for these investigations.

Your Committee on Conference has amended this measure by replacing its contents with language that:

- (1) Requires a citation issued by RICO for unlicensed contracting to include an order for the violator to cease and desist the unlicensed activity; presently, the law authorizes, but does not mandate, that a citation include an order of abatement; and
- (2) Authorizes a court to impose a fine of not less than \$10,000 for each day of violation of a cease and desist order.

Additionally, this measure has been amended to take effect upon its approval, rather than on July 1, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1778, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1778, S.D. 2, H.D. 1, C.D. 1.

Representatives Hiraki, Takamine, Chong, Schatz and Marumoto.
Managers on the part of the House.

Senators Menor, Taniguchi, Baker, Espero, Ige and Hogue.
Managers on the part of the Senate.
(Senators Baker and Ige were excused.)

Conf. Com. Rep. 30 on S.B. No. 1348

The purpose of this measure is to require an association of apartment owners (AOAO) to make AOAO board meeting minutes available for review by owners on the premises of the condominium property if the AOAO maintains an office or resident manager apartment thereon.

Your Committee on Conference has amended this measure:

- (1) To establish as an alternative to the above, an owner's right to request, and receive within fifteen days of receipt of the request, copies of meeting minutes by mail, electronic mail, or facsimile, subject to the owner's payment of a reasonable administrative fee;
- (2) To reflect the appropriate effective dates, rather than an effective date of July 1, 2009; and
- (3) By making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1348, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1348, S.D. 1, H.D. 1, C.D. 1.

Representatives Hiraki, Schatz and Stonebraker.
Managers on the part of the House.
(Representative Stonebraker was excused.)

Senators Menor, Espero and Hogue.
Managers on the part of the Senate.

Conf. Com. Rep. 31 on S.B. No. 117

The purpose of this measure is to authorize the establishment of affordable housing requirements for certain undeveloped parcels in Puukoolii Village by agreement between the project's developer, the Housing and Community Development Corporation of Hawaii (HCDCH), and the appropriate Maui County housing agency. Under the measure, the affordable housing requirements established by the parties must include a requirement for housing affordable to households earning up to one hundred per cent of the county median income.

Your Committee on Conference has amended this measure:

- (1) By inserting language contained in the measure, as introduced, which grants HCDCH the power to amend, delete, restate, and otherwise modify the terms, conditions, plans, and specifications relating to housing projects approved by HCDCH's predecessor agency, the Housing Finance and Development Corporation;
- (2) To require that the affordable housing requirements for Puukolii Village include a requirement for housing affordable to households earning up to one hundred twenty per cent, rather than one hundred per cent, of the county median income;
- (3) By replacing its effective date of July 1, 2020 with an effective date of July 1, 2005; and
- (4) By making technical, nonsubstantive amendments for the purposes of style and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 117, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 117, H.D. 2, C.D. 1.

Representatives Kahikina, B. Oshiro, Nishimoto and Halford.
Managers on the part of the House.

Senators Menor, Baker, Tsutsui and Hogue.
Managers on the part of the Senate.
(Senator Tsutsui was excused.)

Conf. Com. Rep. 32 on S.B. No. 1883

The purpose of this measure is to ensure sustainable stocks of near-shore fish for the Miloli'i community in South Kona. Specifically, this measure designates the Miloli'i fisheries management area in South Kona as a community based subsistence fishing area to preserve and maintain the area's legacy as a traditional Hawaiian fishing village.

Your Committee on Conference has amended this measure by making it effective upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1883, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1883, S.D. 2, H.D. 1, C.D. 1.

Representatives Kanohe, Carroll and Thielen.
Managers on the part of the House.
(Representative Thielen was excused.)

Senators Kokubun, Taniguchi and Hemmings.
Managers on the part of the Senate.

Conf. Com. Rep. 33 on S.B. No. 1891

The purpose of this measure is to amend the fee requirements for commercial use vessels that are moored in the State's small boat harbors and clarify which fees and penalties are to be deposited to the boating special fund.

Your Committee on Conference has amended this measure by:

- (1) Clarifying the formula for calculating the commercial use vessel fee to be three per cent of gross revenues derived from the use of the vessel or two times the moorage fee assessed for a recreational vessel of the same size, whichever is greater;
- (2) Making the measure effective as of July 1, 2005; and
- (3) Making a technical, nonsubstantive change for clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1891, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1891, S.D. 2, H.D. 2, C.D. 1.

Representatives Kanohe, Takamine, Schatz, Tanaka and Meyer.
Managers on the part of the House.
(Representative Schatz was excused.)

Senators Kokubun, Taniguchi and Hemmings.
Managers on the part of the Senate.

Conf. Com. Rep. 34 on S.B. No. 797

The purpose of this measure is to make "housekeeping" amendments to the laws governing the Housing and Community Development Corporation of Hawaii.

This measure clarifies chapter 201G, Hawaii Revised Statutes, by redefining the term "housing project" as "public housing project" to distinguish between low-income housing projects and affordable housing developments, and by making conforming amendments throughout the chapter.

Your Committee on Conference has amended this measure to take effect upon its approval and by making a technical amendment for the purpose of consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 797, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 797, S.D. 1, H.D. 1, C.D. 1.

Representatives Kahikina, Nishimoto and Moses.
Managers on the part of the House.

Senators Menor, Espero and Hogue.
Managers on the part of the Senate.
(Senator Espero was excused.)

Conf. Com. Rep. 35 on S.B. No. 1473

The purpose of this measure 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, and 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 the public informational meetings conducted.

Your Committee on Conference has amended this measure by:

- (1) Deleting the provision, and any references thereto, that 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) Deleting the provision regarding a specific process by which DOH shall gather public input on the draft of the master plan;
- (3) Deleting the annual report of activities on Waimano Ridge by the DOH;
- (4) Requiring DOH to give ninety days prior notice to the local neighborhood board and the members of the Legislature from the affected districts and obtain approval of the Governor for any use of state-owned land under its jurisdiction in the Waimano Ridge area prior to use of the land as a sex offender treatment facility, drug treatment facility, state laboratory, or any other uses;
- (5) Requiring DOH to submit an updated master plan to the Legislature; and
- (6) Changing the effective date to July 1, 2005.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1473, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1473, S.D. 1, H.D. 1, C.D. 1.

Representatives Kanoho, Karamatsu and Pine.
Managers on the part of the House.

Senators Baker, Kokubun, Chun Oakland, Fukunaga and Whalen.
Managers on the part of the Senate.
(Senators Fukunaga and Whalen were excused.)

Conf. Com. Rep. 36 on S.B. No. 702

The purpose of this measure is to update the State's antitrust laws relating to mergers and acquisitions so as to be consistent with federal law. This measure:

- (1) Expands the scope of antitrust laws governing mergers and acquisitions to include all business entities;
- (2) Establishes a private party's right of action for injunctive relief if the party will or may be injured by a proposed merger or acquisition; and
- (3) Authorizes an award of reasonable costs and attorney's fees to the prevailing party in an injunctive action.

Your Committee on Conference has amended this measure:

- (1) To prohibit anti-competitive or monopolistic acquisitions and holdings of a person's "stock, interest, or membership", rather than a person's "stock or other share capital";
- (2) To define "subsidiary" and "control" in section 480-7, Hawaii Revised Statutes (HRS);
- (3) To authorize, rather than to require, a court to order a divestiture when the court finds that a holding substantially lessens competition or tends to create a monopoly;
- (4) To repeal the prerequisites for divestiture that the assets be reasonably identifiable and separable, and that divestiture not result in undue hardship on the economic entity;
- (5) By deleting and inserting language to reflect that the measure shall take effect upon its approval, rather than on July 1, 2009; and
- (6) By making technical, nonsubstantive amendments to repeal obsolete or redundant language, and for purposes of clarity, consistency, and style.

Finally, your Committee on Conference finds that the intent of section 480-7(b), HRS, in the measure, as amended, is to provide the opportunity to a person who is threatened with loss or damage in the person's business or property by reason of anything forbidden or declared unlawful in section 480-7(a), HRS, to seek injunctive relief against the threatened loss or damage without having to allege or prove actual loss or damage.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 702, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 702, S.D. 2, H.D. 1, C.D. 1.

Representatives Hiraki, Luke and Marumoto.
Managers on the part of the House.

Senators Menor, Hanabusa, Baker, Espero and Hogue.
Managers on the part of the Senate.
(Senators Baker and Espero were excused.)

Conf. Com. Rep. 37 on S.B. No. 1721

The purpose of this measure is to establish a permanent cultural public market within the City and County of Honolulu on State-owned land within the Kakaako Makai area. Specifically, the public market would provide a venue for the:

- (1) Exposure, education, and awareness of the diverse ethnic groups in Hawaii and spotlight the host Hawaiian culture;
- (2) Sale of ethnic foods, produce, and products;
- (3) Exhibition and showcasing of cultural artwork and crafts;
- (4) Showcasing of entertainers and artists; and
- (5) Presentation of information on the culture and history of the various ethnic groups in Hawaii.

Your Committee on Conference has amended this measure by:

- (1) Changing the effective date to October 1, 2005;
- (2) Deleting references to "permanent" with respect to the state cultural public market;
- (3) Eliminating its appropriation provisions; and
- (4) Making nonsubstantive technical amendments for clarity, consistency, and style.

Your Committee on Conference notes that the change made to the name of the marketplace is not meant to suggest that the cultural marketplace be established temporarily. Your Committee on Conference continues to support the establishment of a permanent venue for the state cultural marketplace. Your Committee on Conference further notes that this measure is not intended to effect the Hawaii Community Development Authority's Request for Proposals (RFP) process currently in effect. Accordingly, the effective date of this measure has been changed to October 1, 2005.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1721, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1721, S.D. 2, H.D. 2, C.D. 1.

Representatives Herkes, Nakasone, Abinsay and Meyer.
Managers on the part of the House.
(Representative Meyer was excused.)

Senators Espero, Fukunaga, Taniguchi, Kim and Hogue.
Managers on the part of the Senate.
(Senators Taniguchi and Hogue were excused.)

Conf. Com. Rep. 38 on S.B. No. 556

The purpose of this measure is to enact a statute on parenting plans for contested custody of children.

Your Committee on Conference has amended this measure by:

- (1) Adding criteria for the court to consider in awarding custody in the best interests of the child;
- (2) Defining "meaningful contact"; and
- (3) Making a statutory conforming amendment.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 556, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 556, S.D. 2, H.D. 2, C.D. 1.

Representatives Sonson, Luke, Cabanilla, B. Oshiro and Thielen.
Managers on the part of the House.
(Representative Cabanilla was excused.)

Senators Chun Oakland, Hanabusa, Fukunaga and Trimble.
Managers on the part of the Senate.

Conf. Com. Rep. 39 on S.B. No. 1796

The purpose of this measure is to allow a person sentenced for a first-time drug offense prior to July 1, 2004 and who meets the requirements of Act 161, Session Laws of Hawaii 2002, to apply to a court for the expungement of the related arrest and conviction records.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that a person sentenced for a first-time drug offense prior to July 1, 2002 is eligible to apply for re-sentencing provided that the person is able to demonstrate to the court a satisfactory record of drug treatment and abstinence and no intervening criminal convictions between the date of the person's sentencing for a first-time drug offense and the application for re-sentencing; and
- (2) Changing the effective date of this measure to take effect upon its approval, provided that the resentencing provision shall apply retroactively to July 1, 2002 and shall be repealed on December 31, 2006.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1796, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1796, S.D. 1, H.D. 1, C.D. 1.

Representatives Luke, B. Oshiro and Thielen.
Managers on the part of the House.

Senators Hanabusa, Hee and Whalen.
Managers on the part of the Senate.

Conf. Com. Rep. 40 on S.B. No. 1100

The purpose of this measure is to reduce the illegal manufacturing of crystal methamphetamine by:

- (1) Limiting the dispensing, sale, or distribution of pseudoephedrine products without a prescription to no more than three packages per transaction;
- (2) Exempting products in liquid, liquid capsule, or gel capsule form containing other active ingredients in addition to pseudoephedrine from the sales restriction;
- (3) Requiring any wholesaler to report 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.

Your Committee on Conference has amended this measure by:

- (1) Adding a new section that requires any person transporting by any means more than three packages of any restricted pseudoephedrine product to obtain a permit;
- (2) Making the unlawful transport of pseudoephedrine a misdemeanor;
- (3) Prohibiting a pharmacy or retailer from dispensing, selling, or distributing without a prescription more than three packages or not more than nine grams per transaction of pseudoephedrine products; provided that:

- (A) The pseudoephedrine products are dispensed, sold, or distributed from an area that is in the direct line of sight of an employee at the check-out station or counter;
 - (B) The pseudoephedrine products are dispensed, sold, or distributed from an area that is under constant video monitoring with signage placed near the drug that warns that the area is under constant video monitoring; or
 - (C) The pseudoephedrine products are dispensed, sold, or distributed from an area not accessible by customers or the general public, such as behind the counter or in a locked display case;
- (4) Adding extended-release pseudoephedrine combination products to those that the Department of Public Safety may exempt if the administrator finds the products are not used in the illegal manufacture of methamphetamine or other controlled substances; and
 - (5) Changing the effective date to July 1, 2005.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1100, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1100, S.D. 2, H.D. 1, C.D. 1.

Representatives Luke, Ito, B. Oshiro and Thielen.
Managers on the part of the House.
(Representative Thielen was excused.)

Senators Baker, Menor, Chun Oakland, Hanabusa and Whalen.
Managers on the part of the Senate.
(Senators Hanabusa and Whalen were excused.)

Conf. Com. Rep. 41 on S.B. No. 118

The purpose of this bill is to exempt the Board of Dental Examiners from chapter 91, Hawaii Revised Statutes, until December 31, 2005, to develop a state examination for the licensure of dental hygienists and to specify that if two state examinations are not given within a calendar year, that applicants that pass one of four regional examinations after February 1, 2004, or a national examination approved by the Board, shall be eligible for licensure as dental hygienists.

Your Committee on Conference has amended this measure by:

- (1) Deleting the requirement that the application be filed with the Board at least sixty days prior to the date selected by the Board for examination;
- (2) Deleting subsection 447-1(b), Hawaii Revised Statutes, regarding the requirement that two examinations shall be held in each year and any references thereto;
- (3) Adding a provision that the Board shall require an applicant to take and pass the State's examination or one of four regional examinations until a national examination is available;
- (4) Adding a provision that an applicant who has taken and passed the state or regional examination after February 1, 2005, but prior to the availability of a national examination, shall be deemed to have met the Board's examination requirement; and
- (5) Making the measure effective upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 118, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 118, S.D. 2, H.D. 2, C.D. 1.

Representatives Arakaki, Hiraki, Green, Herkes, Schatz and Finnegan.
Managers on the part of the House.
(Representative Herkes was excused.)

Senators Baker, Menor, Chun Oakland, Ige and Whalen.
Managers on the part of the Senate.
(Senator Ige was excused.)

Conf. Com. Rep. 42 on S.B. No. 568

The purpose of this measure is to give Hawaii's citizens greater access to appropriate dental care and to assure that applicants for licensure as dentist are not deprived of the opportunity to take an examination for an indefinite or extended period of time.

Your Committee on Conference amended this measure by:

- (1) Changing all references to a national examination to the American Board of Dental Examiners (ADEX) examination;
- (2) Allowing an applicant who takes and passes one of four regional examinations given between February 1, 2004, and the date of availability of the ADEX examination to be eligible for licensure if the Board of Dental

Examiners determines that two state written and practical examinations on dentistry will not be or have not been administered;

- (3) Adding a new section to the Hawaii Revised Statutes regarding once the ADEX examination is available and approved by the Board, an applicant shall take and pass the ADEX examination, and neither the state examination nor any regional examination shall be accepted;
- (4) Providing that an applicant who has taken and passed a regional examination after February 1, 2004, but prior to the availability of the ADEX examination shall be deemed to have met the Board's examination requirement;
- (5) Requiring the Board to make a determination and post notification on its webpage by July 15, 2005, regarding whether the two state written and practical examinations on dentistry will be administered pursuant to Subsection 448-10(a), Hawaii Revised Statutes (HRS);
- (6) Amending the measure to take effect upon its approval; provided that on the date that the Board approves the ADEX examination, Section 448-10, HRS, shall be repealed.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 568, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 568, S.D. 1, H.D. 2, C.D. 1.

Representatives Arakaki, Hiraki, Green, Herkes, Schatz and Finnegan.
Managers on the part of the House.

Senators Baker, Menor, Chun Oakland, Ige and Whalen.
Managers on the part of the Senate.
(Senators Ige and Whalen were excused.)

Conf. Com. Rep. 43 on S.B. No. 1285

The purpose of this measure is to replace references to a panel or panel members to the kupuna council or kupuna council members, with regard to the regulation of traditional Hawaiian healing practices. This measure also:

- (1) Prohibits the kupuna council members from being sued in relation to their selection, convening, or certification process;
- (2) Expands the practice to include all traditional Hawaiian healers, rather than only traditional native Hawaiian healers; and
- (3) Requires the kupuna councils to be separate and independent from the State.

Your Committee on Conference amended this measure by:

- (1) Deleting the word "native" from the term "traditional native Hawaiian healers" as it pertains to those who may engage in traditional Native Hawaiian healing practices or methods;
- (2) Deleting the definition of "traditional Native Hawaiian healer" from section 2 of Act 162, Session Laws of Hawaii 1998; and
- (3) Amending the effective date of the measure to take effect upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1285, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1285, S.D. 2, H.D. 1, C.D. 1.

Representatives Luke, B. Oshiro and Thielen.
Managers on the part of the House.
(Representative Thielen was excused.)

Senators Baker, Chun Oakland, Menor, Hanabusa and Whalen.
Managers on the part of the Senate.
(Senators Menor and Whalen were excused.)

Conf. Com. Rep. 44 on S.B. No. 1660

The purpose of this measure is to create the education design and construction project assessment fund within the Department of Education and broaden the department's authority over capital improvement projects.

Your Committee on Conference finds that management over the Department of Education's facilities repair, maintenance, and construction projects has been generally divided between the Department of Accounting and General Services and the Department of Education. Consequently, Act 51, Session Laws of Hawaii 2004, required the transfer of functions regarding the maintenance of school facilities from the Department of Accounting and General Services to the Department of Education. In transferring management to the Department of Education, your Committee on Conference believes that the improved coordination will reduce the backlog of public school facilities projects. Furthermore, the establishment of the fund will allow the superintendent to make assessments on construction projects.

Accordingly, the following amendments were made:

- (1) Correcting the effective dates to coincide with Act 164, Session Laws of Hawaii 2004;
- (2) Specifying appropriation amounts of \$4,000,000 for fiscal years 2005-2006 and 2006-2007; and
- (3) Making nonsubstantive, technical amendments for the purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1660, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1660, S.D. 2, H.D. 1, C.D. 1.

Representatives Takumi, Takamine and Ching.
Managers on the part of the House.

Senators Sakamoto, Inouye, Taniguchi, Menor and Hogue.
Managers on the part of the Senate.
(Senator Menor was excused.)

Conf. Com. Rep. 45 on S.B. No. 1699

The purpose of this measure is to demonstrate strong legislative acknowledgement of the importance of culture and arts in Hawaii's communities and of the enrichment of the quality of life of Hawaii's people through an appropriation to the Hawaii State Foundation on Culture and the Arts.

Your Committee on Conference has amended this measure by specifying the appropriation amount, changing the effective date to July 1, 2005, and making technical nonsubstantive amendments.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1699, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1699, S.D. 1, H.D. 1, C.D. 1.

Representatives Chang, Karamatsu and Pine.
Managers on the part of the House.
(Representative Pine was excused.)

Senators Fukunaga, Taniguchi, English, Tsutsui and Hogue.
Managers on the part of the Senate.
(Senator English was excused.)

Conf. Com. Rep. 46 on S.B. No. 1702

Your Committee on Conference understands the purpose of this measure is to give the High Technology Development Corporation (HTDC) greater flexibility in responding to growth and development potential in Hawaii's rapidly expanding technology sector through the establishment of the not-for-profit High Technology Innovation Corporation (HTIC). HTIC will provide a number of benefits, including additional sources of much-needed revenue and the ability to respond quickly and efficiently to opportunities and changes in the State's increasingly diversified technology industries.

Your Committee on Conference has amended this measure by:

- (1) Referencing the manner in which the initial term for board members appointed from the general public shall be decided;
- (2) Clarifying that new employees of HTIC shall not be entitled to any benefits conferred under chapter 76, 77, 88, or 89, Hawaii Revised Statutes, and that any existing officer or employee of the State whose functions are transferred to HTIC shall not suffer any loss of benefits as a result of the transfer; and
- (3) Removing the exemption from Chapter 103D, relating to public procurement.

Your Committee on Conference supports the commitment of the HTDC - and its Board of Directors - to become more self-sufficient through establishment of this 501(c)(3) corporation. However, your Committee on Conference also must balance this additional flexibility with the State's policies on the expenditure of any public monies. Your Committee on Conference has responded to this concern by deleting the proposed HTIC exemption from the procurement code, Chapter 103D, Hawaii Revised Statutes.

Although your Committee on Conference recognizes that this will affect the flexibility of HTIC, exemptions from the code are allowed under section 103D-102(b)(4)(L), Hawaii Revised Statutes. Your Committee on Conference understands that HTDC has pursued specific exemptions in the past, and that it is a lengthier process than a blanket exemption would provide. However, your Committee on Conference urges HTIC to pursue this option. If this proves to be a serious barrier to HTIC in meeting its duties, your Committee on Conference expects that HTIC would inform the Legislature prior to the convening of the 2006 session, so that additional options might be considered at that time.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1702, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1702, S.D. 1, H.D. 2, C.D. 1.

Representatives Herkes, Caldwell, B. Oshiro, Nakasone and Fox.
Managers on the part of the House.
(Representatives Caldwell and Fox was excused.)

Senators Fukunaga, Espero, Taniguchi, English, Ige and Hogue.
Managers on the part of the Senate.
(Senators Taniguchi and Hogue was excused.)

Conf. Com. Rep. 47 on S.B. No. 1362

Your Committee on Conference finds that, although the problem with abandoned vehicles in public highways, streets, and rights of way, and on private lands contiguous to public highways, streets, and rights of way is growing, there appears to be some confusion as to the jurisdiction of the counties to take custody and dispose of these abandoned vehicles. This measure would enhance the ability of government to remove abandoned vehicles.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that, at the request of the landowner, a county may cause a vehicle to be taken into custody and disposed of on roads for which dedication to the State or county is pending; and
- (2) Changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1362, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1362, S.D. 1, H.D. 1, C.D. 1.

Representatives Morita, Souki, Lee, Evans and Meyer.
Managers on the part of the House.

Senators Inouye, Espero, Baker and Whalen.
Managers of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 48 on S.B. No. 1876

The purpose of flexible design in highway construction is to meet the community's desire to protect and preserve natural, cultural, historic, and scenic values and resources. Community organizations, including the Alliance for the Heritage of East Maui, the Hanalei Road Committee on Kauai, and the Hamakua-Honokaa Heritage Corridor on the Big Island have been working on and support scenic byway or heritage corridor programs. The upper Kona road on the Big Island and Ka Iwi coastal highway on Oahu are also under review as important scenic and historic corridors.

Congress expressly acknowledged the importance of flexible highway design sensitive to the surrounding environment, especially in historic and scenic areas. Section 1016(a) of the Intermodal Surface Transportation Efficiency Act of 1991 allows approval of projects designed to allow for historic and scenic value preservation, while ensuring safe use. Highway design under the National Highway System Act (other than interstates) may consider the constructed and natural environment of the area, and the environmental, scenic, aesthetic, historic, community, and preservation impacts of the project. The Act gives states the flexibility to develop and apply criteria they deem appropriate for federal-aid projects not on the National Highway System.

This measure also provides for a limitation of liability for government entities by providing immunity for the decision whether to utilize flexible alternatives when a flexible alternative design guideline is selected in accordance with the provisions of this measure. Public utilities are protected against liability for the decision to use a flexible design guideline as well. For example, if the decision to utilize a specific alternative standard requires the use of a particular type of utility pole and precludes the use of another type, the utility would not be liable for use of the required pole. This immunity similarly applies only to the use of flexible alternative and does not relieve the utility from its subsequent responsibility of safe design, construction and maintenance.

Your Committee on Conference has amended this measure by:

- (1) Rewording several provisions to make it clear that immunity applies only to the decision to utilize a flexible design standard and does not extend to subsequent design, construction, maintenance, or improvements;
- (2) Adding language to specify that for county roads, the counties, not the State, make the decision whether to select or apply flexible highway design guidelines;
- (3) Allowing the Director of Transportation additional time to establish new flexible highway design guidelines from November 1, 2005 to June 30, 2006;
- (4) Changing the effective date of this measure from July 1, 2010 to July 1, 2005; and
- (5) Making technical, nonsubstantive revisions for purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1876, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1876, S.D. 2, H.D. 2, C.D. 1.

Representatives Souki, B. Oshiro, Lee and Fox.
Managers on the part of the House.

Senators Inouye, Taniguchi, Espero, Kokubun and Slom.
Managers on the part of the Senate.
(Senator Kokubun was excused.)

Conf. Com. Rep. 49 on S.B. No. 1267

The purpose of this measure is to take steps to counter the growing incidents of shark attacks in Hawaii by providing funding to tag and monitor sharks along the leeward coast of Oahu.

Your Committee on Conference has amended this measure by:

- (1) Making the measure effective on July 1, 2005; and
- (2) Making technical, nonsubstantive changes for style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1267, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1267, S.D. 2, H.D. 2, C.D. 1.

Representatives Kanohe, Abinsay, Magaoay and Halford.
Managers on the part of the House.

Senators Kokubun, Taniguchi, Hanabusa and Hemmings.
Managers on the part of the Senate.

Conf. Com. Rep. 50 on S.B. No. 116

The purpose of this measure is to establish a nursing scholars program administered by the University of Hawaii to train nurses for teaching careers in nursing.

Specifically, this measure would:

- (1) Establish a scholarship program to support nurses pursuing graduate degrees and careers in nursing instruction; and
- (2) Re-establish the Operation Nightingale Program to help nurses pass the State Board of Nursing examination.

One of the reasons for the nursing shortage in the State is the lack of a sufficient number of qualified faculty. In turn, one of the reasons for the faculty shortage is the diminishing rate of financial returns in pursuing a graduate level nursing education when a baccalaureate level education will more than ensure a steady career.

Your Committee on Conference has amended this measure by:

- (1) Clarifying the purpose section to state the necessity of increasing the qualified nursing faculty;
- (2) Deleting the Operation Nightingale program;
- (3) Appropriating \$20,000 for fiscal year 2005-2006, and deleting the appropriation for fiscal year 2006-2007;
- (4) Changing the effective date to July 1, 2005; and
- (5) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 116, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 116, S.D. 2, H.D. 2, C.D. 1.

Representatives Waters, Arakaki, Lee and Finnegan.
Managers on the part of the House.
(Representative Lee was excused.)

Senators Hee, Baker, Taniguchi and Trimble.
Managers on the part of the Senate.
(Senator Taniguchi was excused.)

Conf. Com. Rep. 51 on H.B. No. 295

The purpose of this bill is to assist citizen-soldiers by facilitating the process for restoring the professional or vocational license of a member of the Hawaii National Guard, regular military, or military reserves whose license has expired, been forfeited, or deemed delinquent while the member is on active duty and deployed during a state or national crisis.

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

- (1) Removing the provision that extends the time for attorneys to renew their licenses; and
- (2) Changing the effective date to July 1, 2005.

The Judiciary informed your Committee on Conference that the provision relating to attorneys was unnecessary, because a law license does not have an expiration date.

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

Representatives Ito, Hiraki, Luke, Chong and Marumoto.
Managers on the part of the House.
(Representative Hiraki was excused.)

Senators Sakamoto, Menor, Tsutsui and Hogue.
Managers on the part of the Senate.
(Senator Hogue was excused.)

Conf. Com. Rep. 52 on H.B. No. 1320

The purpose of this bill is to enhance public safety by requiring county public safety answering points to retain recordings of all emergency 911 telephone calls and radio dispatches for at least one year.

Your Committee on Conference has amended this bill by changing the effective date to July 1, 2005.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1320, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1320, H.D. 1, S.D. 1, C.D. 1.

Representatives Ito, Luke, Chong, Yamane and Stonebraker.
Managers on the part of the House.
(Representative Stonebraker was excused.)

Senators Ige, Hanabusa, Taniguchi, Tsutsui and Slom.
Managers on the part of the Senate.
(Senators Hanabusa and Tsutsui were excused.)

Conf. Com. Rep. 53 on H.B. No. 606

The purpose of this bill is to lessen Hawaii's future dependence on imported oil and encourage greater use of renewable energy by requiring the Public Utilities Commission to adopt interconnection standards and regulations removing impediments to the installation of customer-sited renewable energy systems with a capacity greater than ten kilowatts.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 606, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 606, H.D. 1, S.D. 2, C.D. 1.

Representatives Morita, Hiraki, Schatz and Pine.
Managers on the part of the House.
(Representative Pine was excused.)

Senators English, Kokubun, Menor and Hemmings.
Managers on the part of the Senate.
(Senator Menor was excused.)

Conf. Com. Rep. 54 on H.B. No. 712

The purpose of this bill is to protect historical and cultural sites by:

- (1) Establishing criminal offenses for knowingly taking, appropriating, excavating, injuring, destroying, or altering historic property, aviation artifacts, and burial sites without permission or without obtaining required approval;
- (2) Making it a criminal offense to knowingly fail to stop work in the immediate area and report the discovery of a burial site; and
- (3) Establishing 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 or to knowingly glue together, label, or conduct any tests that destroy skeletal remains.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 712, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 712, H.D. 2, S.D. 2, C.D. 1.

Representatives Kanohe, Carroll, B. Oshiro and Halford.
Managers on the part of the House.

Senators Fukunaga, Kokubun, Hanabusa, English and Hogue.
Managers on the part of the Senate.
(Senators English and Kokubun were excused.)

Conf. Com. Rep. 55 on H.B. No. 864

The purpose of this bill is to affirm the State's commitment to protecting and preserving its outstanding scenic vistas and natural beauty by permitting the counties to adopt ordinances prohibiting billboards or outdoor advertising devices located in the airspace or waters beyond the land boundaries of the county if those devices are visible from any public location within the county.

Your Committee on Conference finds that this bill will eliminate any ambiguity in current law as to the county's jurisdiction over outdoor advertising devices located in airspace or waters beyond the land boundaries of the county, and allow the counties to keep Hawaii's pristine, natural beauty from being overwhelmed by intrusive, unsightly advertising.

To realize this goal, your Committee on Conference has amended this bill by using the contents of the original House version. As amended, this bill clarifies that county ordinances regulating billboards and outdoor advertising also apply to any advertising devices that are physically situated in the airspace or waters beyond the borders of the county if those devices are visible from any public place located within the county.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 864, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 864, S.D. 1, C.D. 1.

Representatives Kanoho, Luke, Karamatsu, Morita and Thielen.
Managers on the part of the House.

Senators Ige, Hanabusa, Chun Oakland, Kim and Slom.
Managers on the part of the Senate.
(Senator Kim was excused.)

Conf. Com. Rep. 56 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.

Your Committee on Conference has amended this bill 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 record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1555, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1555, H.D. 1, S.D. 1, C.D. 1.

Representatives Takumi, Waters, Evans, Berg and Ching.
Managers on the part of the House.

Senators Sakamoto, Taniguchi, Kokubun and Hogue.
Managers on the part of the Senate.
(Senator Kokubun was excused.)

Conf. Com. Rep. 57 on H.B. No. 843

The purpose of this bill is to provide the Department of Education (DOE) with greater flexibility in setting the price of school lunches by authorizing DOE to:

- (1) Set the price of a school lunch with the concurrence of the Board of Education; and
- (2) Adjust the price of lunches based on the average cost of preparing the lunches over the three years preceding any price increase.

Your Committee on Conference has amended this bill by:

- (1) Authorizing the DOE to set the price of a school lunch to ensure that moneys received from the sale of the lunches may be up to one-half of the cost of their preparation;
- (2) Changing the effective date to July 1, 2005; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 843, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 843, H.D. 1, S.D. 1, C.D. 1.

Representatives Takumi, Evans, Berg and Ching.
Managers on the part of the House.
(Representative Ching was excused.)

Senators Sakamoto, Taniguchi, Nishihara and Hogue.
Managers on the part of the Senate.
(Senator Nishihara was excused.)

Conf. Com. Rep. 58 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 glucagon to these students in emergency situations.

Your Committee on Conference has amended this bill by clarifying that any employee or agent who volunteers to administer glucagon in an emergency situation to a student with diabetes shall receive instruction in the proper administration of glucagon by a qualified health care professional, rather than a qualified health professional.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1550, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1550, H.D. 1, S.D. 1, C.D. 1.

Representatives Takumi, Luke, Berg, Green and Finnegan.
Managers on the part of the House.
(Representative Green was excused.)

Senators Sakamoto, Baker, Hanabusa, Nishihara and Hogue.
Managers on the part of the Senate.

Conf. Com. Rep. 59 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) Establishes that a person at least sixteen years of age but under the age of 18 may be granted a provisional license subject to certain requirements;
- (2) Limits the number of passengers as well as the hours of operation for drivers with a provisional license;
- (3) Requires a provisional licensee or holder of an instruction permit to be accompanied by a licensed parent or guardian when driving between the hours of 11:00 p.m. and 5:00 a.m., subject to certain exceptions for provisional licensees travelling to and from employment or school-related functions;
- (4) Creates penalties, including suspension and revocation of the provisional license, for violating passenger limits and operating a motor vehicle between 11:00 p.m. and 5:00 a.m. without appropriate verification from a parent or employer or if the provisional licensee is not accompanied by a licensed parent or guardian;
- (5) Gives the District Court and Family Court concurrent jurisdiction over suspensions or revocations of provisional licenses;
- (6) Provides that provisional licenses expire on the licensee's nineteenth birthday to allow licensees more time to apply for a full driver's license;
- (7) Requires instruction permit holders, when driving, to be accompanied by an individual who is at least 21 years of age and licensed;
- (8) Requires the Department of Transportation and Department of Health to compile and analyze all traffic and accident data to determine the effectiveness of this graduated licensing program in reducing traffic fatalities and accidents in the State; and
- (9) Repeals the graduated licensing program in three years.

Your Committee has amended this bill by:

- (1) Clarifying that a provisional licensee may transport more than one person under the age of 18 if the individuals are members of the provisional licensee's household, including hanai or foster children;
- (2) Changing the date of the repeal of this measure to January 9, 2011; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 150, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 150, H.D. 2, S.D. 2, C.D. 1.

Representatives Souki, Luke, Lee and Fox.
Managers on the part of the House.

Senators Inouye, Chun Oakland, Hanabusa and Trimble.
Managers on the part of the Senate.
(Senator Trimble was excused.)

Conf. Com. Rep. 60 on H.B. No. 1238

The purpose of this bill is to lessen Hawaii's future dependence on imported oil and encourage greater use of renewable energy by authorizing the issuance of special purpose revenue bonds (SPRBs) to Honolulu Seawater Air Conditioning LLC to plan, design, and construct a chilled water distribution system and balance of system components and structures for a district cooling system in downtown Honolulu.

Your Committee on Conference has amended this bill by:

- (1) Authorizing \$48,000,000 as the amount of SPRBs to be issued; and
- (2) Changing the effective date to July 1, 2005.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1238, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1238, H.D. 1, S.D. 2, C.D. 1.

Representatives Morita, Hiraki, Kawakami and Moses.
Managers on the part of the House.

Senators Kokubun, English, Taniguchi and Hemmings.
Managers on the part of the Senate.
(Senator Hemmings was excused.)

Conf. Com. Rep. 61 on H.B. No. 769

The purpose of this bill is to exempt electric utility cooperative associations from the unclaimed property law, subject to certain requirements.

Your Committee on Conference has amended this bill by:

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 769, H.D. 3, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 769, H.D. 3, S.D. 2, C.D. 1.

Representatives Morita, Hiraki, Kawakami and Pine.
Managers on the part of the House.
(Representative Pine was excused.)

Senators Menor, Taniguchi, Hooser and Hogue.
Managers on the part of the Senate.
(Senator Hooser was excused.)

Conf. Com. Rep. 62 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.

Your Committee finds that this measure will support small business growth and development by directing the State Procurement Policy Board to establish administrative rules that help small businesses obtain state and county contracts. By creating small business set-asides, this measure will encourage larger contractors to use small businesses as subcontractors by making it one of the factors considered in the bid evaluation process.

Your Committee on Conference has 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 record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 162, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 162, H.D. 2, S.D. 1, C.D. 1.

Representatives Herkes, Nakasone and Marumoto.
Managers on the part of the House.

Senators Espero, Inouye, Taniguchi and Trimble.
Managers on the part of the Senate.
(Senator Taniguchi was excused.)

Conf. Com. Rep. 63 on H.B. No. 1657

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

Your Committee on Conference has amended this bill by:

- (1) Inserting the sum of \$10,000,000 as the total amount of special purpose revenue bonds to be issued; and
- (2) Changing the effective date to July 1, 2005.

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

Representatives Herkes, Karamatsu, Wakai and Moses.
Managers on the part of the House.
(Representative Moses was excused.)

Senators Fukunaga, Taniguchi, Ige and Hogue.
Managers on the part of the Senate.

Conf. Com. Rep. 64 on H.B. No. 502

The purpose of this bill is to amend the penalties for repeat offenders of traffic violations that involve child passenger restraint systems, motor vehicle alarm systems, and motor vehicle lights equipment to make them easier to apply and fairer to the violators who would potentially face much stiffer fines for a relatively minor second offense.

Your Committee on Conference has agreed to use the language of House Draft 1 as the Conference Draft 1. As amended, this bill adds provisions that limit the time period during which a prior conviction may be considered to:

- (1) Three years for offenses involving child passenger restraints under section 291-11.5, Hawaii Revised Statutes (HRS); and
- (2) One year for offenses under sections 291-25 to 291-31, HRS, involving violations relating to motor vehicle lights.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 502, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 502, H.D. 1, S.D. 2, C.D. 1.

Representatives B. Oshiro, Luke and Thielen.
Managers on the part of the House.
(Representative Thielen was excused.)

Senators Inouye, Hanabusa, Chun Oakland and Whalen.
Managers on the part of the Senate.

Conf. Com. Rep. 65 on H.B. No. 551

The purpose of this bill is to clarify the law on public agency meetings by:

- (1) Allowing two board members to discuss matters relating to official board business if they do not constitute a quorum of their board;
- (2) Enabling multiple board members constituting less than a quorum of their board to testify or make presentations on official board business at a meeting of another board or at a legislative public hearing provided that certain notice and reporting requirements are met; and
- (3) Providing that final actions taken in violation of open meeting and public notice requirements may be voidable upon mere proof of the violation.

Your Committee on Conference has amended this measure by deleting the provisions allowing board members to testify or make presentations on official board business at a meeting of another board or at a legislative public hearing.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 551, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 551, H.D. 1, S.D. 2, C.D. 1.

Representatives Luke, B. Oshiro and Marumoto.
Managers on the part of the House.

Senators Ige, Hanabusa, Chun Oakland, Nishihara and Slom.
Managers on the part of the Senate.
(Senators Chun Oakland and Nishihara were excused.)

Conf. Com. Rep. 66 on H.B. No. 553

The purpose of this bill is to protect personal identifying information by:

- (1) Allowing government agencies to withhold identifying information from government records, which if disclosed, would constitute a clearly unwarranted invasion of privacy; and
- (2) Excluding from disclosure the social security numbers of individuals under contract with the government.

Your Committee on Conference has amended this bill to correct a typographical error in citing section 92F-13(1), Hawaii Revised Statutes.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 553, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 553, H.D. 1, S.D. 1, C.D. 1.

Representatives Luke, B. Oshiro and Thielen.
Managers on the part of the House.

Senators Hanabusa, English, Hee and Slom.
Managers on the part of the Senate.
(Senator English was excused.)

Conf. Com. Rep. 67 on H.B. No. 1709

The purpose of this bill is to reduce property crime by establishing a new misdemeanor offense of aggravated criminal property damage for persons who:

- (1) Intentionally damage the property of another without the other's consent; and
- (2) Have two or more convictions for criminal property damage in the third or fourth degree in the preceding five years.

Your Committee on Conference finds that this measure is aimed at addressing the costly and recurring problem of vandalism.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that the new offense of aggravated criminal property damage should be placed in chapter 708, Hawaii Revised Statutes (HRS), relating to offenses against property rights;
- (2) Removing a superfluous reference to the maximum fine of \$2,000 for misdemeanors, which is already provided in section 706-640, HRS; and
- (3) Changing its effective date from July 1, 2050, to upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1709, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1709, S.D. 1, C.D. 1.

Representatives B. Oshiro, Luke and Marumoto.
Managers on the part of the House.

Senators Hanabusa, Hee and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 68 on H.B. No. 125

The purpose of this bill is to recognize the historical and cultural importance of the sport of Hawaiian outrigger canoe paddling by authorizing certain Hawaiian outrigger canoe clubs (clubs) to keep their canoes on state shoreline areas.

Your Committee on Conference has amended this bill by:

- (1) Clarifying that the canoes may be kept on state shoreline areas at no charge; and
- (2) Clarifying that a club shall secure an annual revocable permit from the applicable state or county agency where required.

Your Committee on Conference intends that although clubs shall be exempt from canoe storage charges, they must still pay any applicable permit fees.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 125, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 125, H.D. 2, S.D. 1, C.D. 1.

Representatives Kanofo, Schatz and Meyer.
Managers on the part of the House.

Senators Kokubun, Hooser, Fukunaga and Hemmings.
Managers on the part of the Senate.
(Senator Fukunaga was excused.)

Conf. Com. Rep. 69 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.

Your Committee on Conference has amended this bill by:

- (1) Removing the requirement that DOE maintain records of all students who may have been exposed to dust containing asbestos during the exterior renovation project conducted at King Intermediate School in December 2004;
- (2) Deleting the appropriation to conduct the asbestos testing and records maintenance;
- (3) Changing the effective date to July 1, 2005; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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

Representatives Takumi, Chong, Berg, Evans and Ching.
Managers on the part of the House.
(Representative Evans was excused.)

Senators Sakamoto, Taniguchi, Hooser, Tsutsui and Hogue.
Managers on the part of the Senate.
(Senator Hooser was excused.)

Conf. Com. Rep. 70 on H.B. No. 332

The purpose of this bill is to protect consumers by informing them about bakery products that have been previously frozen and sold as thawed food that resembles fresh food.

Your Committee on Conference finds that the process of flash freezing to ensure product freshness is a standard practice but that nondisclosure to consumers at the point of purchase of bakery goods that have been frozen and offered for sale in a thawed state could be misleading and does not allow consumers to make an informed decision. However, it is the intent of your Committee on Conference to allow retailers some flexibility in the manner in which consumers are informed, and your Committee believes that signage "within close proximity of the point of display" provides sufficient notification.

Your Committee on Conference has amended this measure by:

- (1) Specifying that the sign or notice shall be entitled "Baked Goods Previously Frozen";
- (2) Specifying that the sign or notice include the words "Previously Frozen and Thawed";
- (3) Changing the effective date to January 1, 2006; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 332, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 332, H.D. 1, S.D. 2, C.D. 1.

Representatives Arakaki, Hiraki, Green and Finnegan.
Managers on the part of the House.

Senators Baker, Menor, Chun Oakland and Espero.
Managers on the part of the Senate.

Conf. Com. Rep. 71 on H.B. No. 164

The purpose of this measure is to prohibit movie piracy by creating a new misdemeanor offense of unauthorized operation of a recording device in a motion picture theater.

Your Committee on Conference finds that movie piracy through unauthorized audiovisual recordings made in movie theaters has resulted in losses to the motion picture industry, including actors, producers, and distributors of motion pictures. The illicitly copied movies are illegally duplicated, packaged, and distributed across the country and abroad, further aggravating industry losses.

Your Committee on Conference notes that retail merchants are afforded protection from civil liability for detaining suspected shoplifters while awaiting the arrival of law enforcement officers. It is your Committee's intent to extend the same protections to movie theater operators and their agents.

However, concerns were raised that the immunity language in the Senate draft was too broad. Accordingly, your Committee on Conference has amended this measure by providing movie theater operators the same immunity afforded to retail merchants when detaining a person suspected of stealing from the establishment.

Technical, nonsubstantive amendments were also made for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 164, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 164, H.D. 1, S.D. 1, C.D. 1.

Representatives Hiraki, Luke and Marumoto.
Managers on the part of the House.

Senators Fukunaga, Hanabusa, Menor, English and Hogue.
Managers on the part of the Senate.
(Senators English and Hanabusa were excused.)

Conf. Com. Rep. 72 on H.B. No. 477

The purpose of this bill is to provide greater protection to an individual's retirement moneys by granting Roth individual retirement or 408A accounts (Roth IRAs) the same protection from creditor claims afforded to regular individual retirement of 408 accounts (regular IRAs).

Your Committee on Conference finds that both regular IRAs and Roth IRAs are sound financial vehicles for retirement planning, and allow individuals to enjoy the benefit of tax-deferred growth on their retirement savings year after year.

Your Committee on Conference further finds, however, that while both regular IRAs and Roth IRAs are retirement instruments, only the former is protected from the claims of creditors under current law. This measure corrects this oversight by specifically including retirement funds in a Roth IRA as benefits exempt from creditors' claims.

Upon consideration of the Senate draft, your Committee on Conference has amended this bill by removing its July 1, 2099, effective date, and providing that the bill becomes effective upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 477, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 477, H.D. 1, S.D. 1, C.D. 1.

Representatives Hiraki, Luke and Marumoto.
Managers on the part of the House.

Senators Menor, Hanabusa, Ige and Hogue.
Managers on the part of the Senate.
(Senator Ige was excused.)

Conf. Com. Rep. 73 on H.B. No. 785

The purpose of this bill is to expressly provide for non-judicial foreclosure of time share interests under the power of sale. The provisions of this bill are based on the existing power of sale law, and as such they:

- (1) Allow a mortgagee to foreclose under the power of sale by giving notice of the intention to foreclose the mortgage;
- (2) Require that copies of the notice be filed with the state Director of Taxation and posted on the time share interest premises not less than 21 days before the day of sale;
- (3) Provide that the day of sale may be any time after four weeks from the date of publication of the first notice;
- (4) Require the mortgagee to file a copy of the notice of sale and the mortgagee's affidavit in the Bureau of Conveyances within 30 days after selling the time share interest; and

- (5) Allow a mortgage creditor having a lien on a time share interest to request and receive written notice of foreclosure from another mortgage creditor with a lien on the same interest, at least seven days before the mortgage creditor forecloses on the mortgage by power of sale.

The bill also improves the notice given to time share mortgage debtors. In addition to publication of the notice of foreclosure in a newspaper in the county where the time share interest is located, the mortgage creditor must also provide the mortgagor with notice of foreclosure by:

- (1) Certified mail, return receipt requested, when the mortgagor's last known address is within the United States; or
- (2) Mail, when the mortgagor's last known address is outside the United States.

Your Committee on Conference finds that foreclosure under the power of sale provides time share associations and time share lenders a practical alternative to pursuing judicial foreclosure of a time share interest, the cost of which frequently exceeds the amount recovered. Further, the additional notice that this bill requires will protect the many time share mortgage debtors who do not live in the county where the time share interest is located.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 785, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 785, H.D. 1, S.D. 1, C.D. 1.

Representatives Hiraki, Herkes, Schatz and Marumoto.
Managers on the part of the House.
(Representative Herkes was excused.)

Senators Menor, Espero and Hogue.
Managers on the part of the Senate.

Conf. Com. Rep. 74 on H.B. No. 1659

The purpose of this bill is to extend the Department of Land and Natural Resources' (DLNR) authority to enter into lease agreements with noncommercial pier owners, and allow noncommercial pier owners more time to negotiate leases of state submerged lands or lands beneath tidal waters (submerged land lease). Specifically, this bill extends Act 261, Session Laws of Hawaii (SLH) 2000, by two years to June 30, 2007.

Your Committee on Conference notes, that for purposes of determining the lease rent for the submerged land leases, DLNR is using 50 percent of the 2001 real property tax assessment of the fast land as the value of the submerged land to be leased. Procrastinating landowners desiring to enter into a submerged land lease with the State for noncommercial piers must be urged to act in a timely manner. Accordingly, your Committee on Conference has amended this bill by:

- (1) Urging DLNR to commence using the prevailing real property tax assessment value of the fast land in determining lease rents for leases entered into after July 1, 2006; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1659, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1659, H.D. 1, S.D. 1, C.D. 1.

Representatives Kanoho, Chong, Schatz and Meyer.
Managers on the part of the House.
(Representative Schatz was excused.)

Senators Kokubun, Hooser and Hemmings.
Managers on the part of the Senate.

Conf. Com. Rep. 75 on H.B. No. 1430

The purpose of this bill is to discourage illegal dumping of solid waste by creating the offense of petty misdemeanor disposal of solid waste for the illegal disposal of volumes equal to or greater than one cubic yard and less than ten cubic yards.

Your Committee on Conference has amended this measure by:

- (1) Making an exemption to the petty misdemeanor offense for solid waste consisting solely of green waste, and providing a definition for such exempted green waste; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1430, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1430, H.D. 2, S.D. 2, C.D. 1.

Representatives Morita, Oshiro and Pine.

Managers on the part of the House.

Senators English, Hanabusa and Hemmings.
Managers on the part of the Senate.

Conf. Com. Rep. 76 on H.B. No. 895

The purpose of this bill is to protect the aquatic habitat surrounding the islands from the harmful effects of light pollution by prohibiting artificial light that directly illuminates the shoreline and ocean waters, and direct or indirect glare when light is displaced across property boundaries toward the shoreline and ocean waters. The bill also directs special management area authorities to minimize light displacement.

Your Committee on Conference, upon further consideration, has made the following amendments to this bill:

- (1) Deleting all references to the phrases "direct and indirect glare" and "light displacement";
- (2) Splitting the two requirements necessary to meet the hotel exception from the prohibition into two separate exceptions;
- (3) Narrowing one of the hotel exceptions by limiting excepted outdoor lighting fixtures to those that illuminate an area of no more than 30 feet into the shoreline and ocean waters;
- (4) Expanding the hotel exception by adding "employees" to the list of persons to be protected by the excepted outdoor lighting fixture;
- (5) Changing the method by which the special management area authorities would minimize light pollution, from adopting guidelines for a review process, to prohibiting the issuance of special management area use permits and special management area minor permits subject to certain exceptions; and
- (6) Making technical, nonsubstantive changes for clarity, style, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 895, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 895, H.D. 2, S.D. 2, C.D. 1.

Representatives Morita, Kanoho, B. Oshiro and Pine.
Managers on the part of the House.

Senators English, Hanabusa, Kokubun and Hemmings.
Managers on the part of the Senate.
(Senator Hanabusa was excused.)

Conf. Com. Rep. 77 on H.B. No. 1201

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

- (1) Clarifying that a person commits theft in the second degree if the person commits theft of agricultural equipment, supplies, commodities, or products, valued from over \$100 and up to and including \$20,000, or of agricultural commodities or products that exceed 25 pounds, from cultivated or uncultivated agricultural lands that are fenced or posted with warning signs;
- (2) 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; and
- (3) Establishing that possession of livestock without a livestock ownership and movement certificate is prima facie evidence that the livestock is or has been stolen.

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

- (1) Removing references to agricultural commodities and, instead, inserting agricultural commodities in the definition of "agricultural equipment, supplies, or products";
- (2) Clarifying that a person commits theft in the second degree if the person commits theft of agricultural equipment, supplies, or products, valued from over \$100 and up to and including \$20,000, or of agricultural products that exceed 25 pounds, from premises that are fenced, enclosed, or secured in a manner designed to exclude intruders, or there is prominently displayed on the premises a sign that provides sufficient notice and reading "Private Property"; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

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

Representatives Abinsay, Luke and Halford.
Managers on the part of the House.
(Representative Halford was excused.)

Senators Kokubun, Hanabusa and Hemmings.
Managers on the part of the Senate.

Conf. Com. Rep. 78 on H.B. No. 1202

The purpose of this bill is to deter trespassing on agricultural land by establishing that a person commits the offense of criminal trespass in the second degree if the person enters or remains on agricultural lands that:

- (1) Are fenced, enclosed, or secured in a manner designed to exclude intruders;
- (2) Have a sign or signs prominently displayed on unenclosed cultivated or uncultivated agricultural land providing sufficient notice and reading as follows: "Private Property"; or
- (3) Have a visible presence of a crop either under cultivation, in the process of being harvested, or that has been harvested and marketable at the time of entry.

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

- (1) Specifying that a person commits criminal trespass in the second degree if the person enters or remains on agricultural lands without the permission of the owner of the land, the owner's agent, or the person in lawful possession of the land;
- (2) Removing the requirement that any crop that has been harvested also be marketable; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

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

Representatives Abinsay, Luke and Halford.
Managers on the part of the House.
(Representative Halford was excused.)

Senators Kokubun, Hanabusa and Hemmings.
Managers on the part of the Senate.

Conf. Com. Rep. 79 on H.B. No. 320

The purpose of this bill is to amend the financial interest disclosure law to:

- (1) Require the filing of a financial disclosure statement within 30 days of separation from state government if a prior financial disclosure statement was not filed within the 180 days preceding the date of separation;
- (2) Specify that the requirements of the financial interest disclosure law apply to:
 - (A) The directors, executive directors, and executive secretaries of state agencies or departments;
 - (B) The directors of the Legislature's service agencies; and
 - (C) Members of a state board or commission that has the authority to render declaratory rulings or hold contested case hearings;
- (3) Exempt from disclosure the street address and tax map key number of the filer's residence;
- (4) Make all financial disclosure statements filed with the Ethics Commission (Commission) public records available for inspection and duplication; and
- (5) Require disclosures of business and real property interests held outside of the state.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that a financial disclosure statement is required to be filed within 30 days of separation from a state position, rather than separation from state government, if a prior statement for the position was not filed within 180 days preceding the date of separation;
- (2) Deleting the provisions described in paragraphs (2) and (4) above; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 320, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 320, H.D. 1, S.D. 1, C.D. 1.

Representatives Luke, B. Oshiro and Thielen.
Managers on the part of the House.

Senators Hanabusa, English, Hee and Whalen.
Managers on the part of the Senate.

Conf. Com. Rep. 80 on H.B. No. 384

The purpose of this bill is to help ensure that indigent criminal defendants are represented by competent counsel by increasing the hourly rates and maximum fees for court-appointed attorneys. Specifically, this bill:

- (1) Raises the hourly rate of compensation for appointed counsel, from \$40 to \$60 for out-of-court services, and from \$60 to \$90 for in-court services;
- (2) Increases the maximum allowable fee schedule for appointed counsel; and
- (3) Clarifies the types of family court cases that are included in the maximum fee schedule.

Your Committee on Conference finds that the current statutory rates of compensation for court-appointed counsel were last amended in 1987, and that fee increases will assist the courts in attracting competent counsel to represent indigent defendants.

Your Committee on Conference has amended this measure by:

- (1) Amending the hourly rate for appointed counsel to \$90 for all services;
- (2) Doubling the maximum allowable amounts in the current fee schedule for appointed counsel; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

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

Representatives Luke, Nishimoto and Thielen.
Managers on the part of the House.

Senators Hanabusa, Taniguchi, Hee and Whalen.
Managers on the part of the Senate.
(Senator Taniguchi was excused.)

Conf. Com. Rep. 81 on H.B. No. 438

The purpose of this bill is to clarify various traffic laws by:

- (1) Repealing the penalties in sections 291C-13 and 291C-18, Hawaii Revised Statutes (HRS), because penalties for those statutes are provided under section 291C-161, HRS; and
- (2) Requiring the driver of a vehicle approaching within 20 feet of a marked crosswalk to stop and remain stopped at the stop line while pedestrians or bicyclists are within a marked crosswalk.

Upon further consideration, your Committee on Conference has amended this bill by replacing the new language relating to crosswalks, with amendments requiring the driver of a vehicle to stop and yield the right of way to a pedestrian crossing the roadway within a crosswalk, regardless of whether traffic-control signals are in place or in operation in that location.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 438, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 438, H.D. 1, S.D. 2, C.D. 1.

Representatives Luke, B. Oshiro and Marumoto.
Managers on the part of the House.

Senators Inouye, Hanabusa, Espero and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 82 on H.B. No. 806

The purpose of this bill is to repeal the amendments made to the offense of criminal trespass in the second degree by Act 50, Session Laws of Hawaii 2004. Although Act 50 was intended to address the problem of squatters in public parks or campgrounds, this law was being broadly used in circumstances not related to squatting.

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

- (1) Establishing a new petty misdemeanor offense of criminal trespass onto public parks and recreational grounds;
- (2) Inserting a purpose and findings section; and
- (3) Changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 806, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 806, H.D. 1, S.D. 1, C.D. 1.

Representatives B. Oshiro, Luke and Marumoto.
Managers on the part of the House.

Senators Hanabusa, Hee and Whalen.
Managers on the part of the Senate.
(Senator Hee was excused.)

Conf. Com. Rep. 83 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 by regulating the discharge of air and liquid pollutants by large commercial passenger vessels into the marine waters of the state.

Your Committee on Conference has amended this bill by reverting to the language contained in H.B. No. 422, H.D. 2, which is substantially similar to H.B. No. 422, S.D. 1, and, among other things:

- (1) Regulates discharges from commercial passenger vessels, specifically discharges of untreated sewage, sewage, other wastewater, and air emissions;
- (2) Requires owners or operators of commercial passenger vessels to:
 - (A) Maintain records of:
 - (i) Discharges of sewage and other wastewater into the marine waters of the state; and
 - (ii) 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) Allows the State 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;
- (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) 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;
- (6) Permits DOH to engage in:
 - (A) Direct in-water monitoring of discharges or releases of sewage and direct monitoring of the opacity of air emissions;
 - (B) Monitoring and studying the direct or indirect effects of commercial passenger vessels operating in the marine waters of the state; and
 - (C) Researching ways to reduce the effects of commercial passenger vessels operating in the marine waters of the state and other coastal resources of the state;
- (7) Subjects violations of the requirements in this bill to fines established by DOH; and
- (8) 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.

Additionally, your Committee on Conference has further amended this measure to address concerns regarding the federal Clean Water Act preemption raised by the Attorney General by clarifying that:

- (1) New effluent standards regarding discharges from a commercial passenger vessel into the marine waters of the state do not apply to discharges of sewage; and
- (2) Prohibitions against discharges from large commercial passenger vessels into the marine waters of the state do not apply to treated sewage.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 422, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 422, H.D. 2, S.D. 2, C.D. 1.

Representatives Souki, Morita, Kanoho, Lee, Evans and Pine.
Managers on the part of the House.
(Representative Pine was excused.)

Senators English, Inouye, Taniguchi and Whalen.
Managers on the part of the Senate.

Conf. Com. Rep. 84 on H.B. No. 1235

The purpose of this bill is to enable legislators to carry out their constitutional mandate and statutory duties, providing a key linkage between their diverse constituencies and state policy, representing both their own constituents and all the people of the state. It is the legislators who develop state policies and strategies, oversee state agencies, provide services to the citizens of the state, and establish a forum for representation. To support legislators in accomplishing their duties, this bill provides travel allowances that reflect the increased cost of living by increasing the allowances of:

- (1) Neighbor island legislators during the legislative session;
- (2) Oahu legislators traveling to a neighbor island for legislative business during the legislative session;
- (3) All legislators on their respective island of legal residence for legislative business, when a session of the Legislature is recessed for more than three days or during the interim; and
- (4) All legislators traveling out-of-state on official legislative business.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1235, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1235, H.D. 1, S.D. 1, C.D. 1.

Representatives Takamine, Kawakami and Meyer.
Managers on the part of the House.

Senators Taniguchi, Tsutsui and Hemmings.
Managers on the part of the Senate.

Conf. Com. Rep. 85 on H.B. No. 1236

The purpose of this bill is to improve communication between legislators and their constituents by:

- (1) Increasing the legislative allowance for incidental expenses from \$5,000 to \$7,500; and
- (2) Specifying that when the legislative salary is increased, the legislative allowance shall be increased by the same percentage.

After careful consideration, your Committee on Conference has amended this measure by making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1236, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1236, S.D. 1, C.D. 1.

Representatives Takamine, Kawakami and Meyer.
Managers on the part of the House.

Senators Taniguchi, Tsutsui and Hemmings.
Managers on the part of the Senate.
(Senator Hemmings did not concur.)

Conf. Com. Rep. 86 on H.B. No. 408

The purpose of this bill is to clarify the environmental impact statement (EIS) law by adding definitions for "collection system", "disposal system", "individual wastewater system", "treatment unit", "treatment works", and "wastewater facility" to the law.

Your Committee on Conference has amended this bill by:

- (1) Inserting a legislative findings and purpose section;
- (2) Deleting the definitions previously added by the bill, which do not serve to clarify the EIS law;
- (3) Defining "wastewater treatment unit" in the EIS law to make it clear that proposed changes to a portion of an existing wastewater treatment facility do not trigger the environmental review process;

- (4) Clarifying that when the proposing agency and the determining agency are the same, the Office of Environmental Quality Control is authorized to review an agency's determination, consult the agency, and advise of non-compliance with the EIS law; and
- (5) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 408, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 408, H.D. 2, S.D. 1, C.D. 1.

Representatives Morita, Evans and Fox.
Managers on the part of the House.

Senators English, Taniguchi, Hooser and Hemmings.
Managers on the part of the Senate.
(Senator Hooser was excused.)

Conf. Com. Rep. 87 on H.B. No. 283

The purpose of this bill is to recognize and honor Senator Hiram L. Fong by establishing the temporary Senator Hiram L. Fong Commission (Commission) and appropriating \$2,000 for the Commission.

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

- (1) Deleting the provision that exempts any grants or subsidies made by the Legislature to the Commission from the requirements of the Grants and Subsidies Law, chapter 42F, Hawaii Revised Statutes;
- (2) Clarifying that the appropriation is to be used in accordance with the Grants and Subsidies Law;
- (3) Changing the effective date of this measure to July 1, 2005; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

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

Representatives Chang, Kawakami, Karamatsu and Ching.
Managers on the part of the House.

Senators Fukunaga, Taniguchi and Hogue.
Managers on the part of the Senate.

Conf. Com. Rep. 88 on H.B. No. 1476

The purpose of this bill is to provide public access to, and a protective buffer for, the Kohala Historical Sites State Monument (Monument) by requiring the Department of Land and Natural Resources (DLNR) to renew its efforts to acquire the lands adjacent to the Monument through land exchange.

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

- (1) Deleting the provision requiring DLNR to renew its efforts to acquire the lands adjacent to the Monument through land exchange;
- (2) Clarifying that the lands adjacent to the Monument amount to 250 acres;
- (3) Requiring DLNR to:
 - (A) Determine, after consultation with Mo'okini Luakini, Inc., and Kamehameha Schools, whether the 162 acres that may be acquired by Kamehameha Schools are adequate to provide an adequate buffer and public access to the Monument; and
 - (B) If the 162 acres is found insufficient, renew its efforts to acquire the remaining 88 acres through land exchange;

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

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

Representatives Kanoho, Evans, Carroll and Moses.
Managers on the part of the House.
(Representative Carroll was excused.)

Senators Fukunaga, Kokubun, Taniguchi and Hogue.
Managers on the part of the Senate.

Conf. Com. Rep. 89 on H.B. No. 931

The purpose of this bill is to encourage the development of workforce housing and affordable housing on leased residential lots by exempting such developments from the provisions of chapter 516, Hawaii Revised Statutes, which allows for mandatory lease-to-fee conversion of single-family residential properties.

Your Committee on Conference has amended this bill by:

- (1) Adding a provision which excludes the University of Hawaii at Manoa from the applications being introduced by this Act while still providing for other University of Hawaii properties outside of the Manoa vicinity;
- (2) Changing the effective date to July 1, 2005; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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

Representatives Kanoho, Kahikina, Magaoay and Meyer.
Managers on the part of the House.

Senators Menor, Taniguchi, Espero, Hooser and Hogue.
Managers on the part of the Senate.

Conf. Com. Rep. 90 on H.B. No. 1750

The purpose of this bill is to support community-based reintegration programs for female offenders in their transition from prison back into a healthy, productive role within the community.

Your Committee on Conference has amended this bill by:

- (1) Inserting an appropriation of \$100,000 for fiscal year 2005-2006;
- (2) Deleting the provision for a matching appropriation for fiscal year 2006-2007; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1750, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1750, S.D. 2, C.D. 1.

Representatives Ito, Chong, Yamane and Moses.
Managers on the part of the House.
(Representative Moses was excused.)

Senators Hanabusa, Taniguchi, Chun Oakland and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 91 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 a delay caused by a lack of quorum by an issuing agency shall not initially result in an automatic permit approval, but a subsequent lack of quorum shall not provide cause for further extension unless agreed upon by all parties.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 852, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 852, H.D. 2, S.D. 2, C.D. 1.

Representatives Kanoho, Herkes, Wakai and Meyer.
Managers on the part of the House.
(Representative Meyer was excused.)

Senators Kokubun, Espero, Hanabusa and Hemmings.
Managers on the part of the Senate.

(Senator Espero was excused.)

Conf. Com. Rep. 92 on H.B. No. 1276

The purpose of this bill is to expand public recreational opportunities by allowing the Department of Land and Natural Resources (DLNR) to enter into indemnity and defense agreements to protect parties associated with landowners from potential claims and property loss associated with public use of private lands.

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

- (1) Clarifying the manner in which DLNR would indemnify a landowner for property losses by:
 - (a) Providing a process for reimbursement of property losses due to public use; and
 - (b) Allowing DLNR to settle small claims for losses up to \$10,000 per year to be paid from the trail and access program special funds;
- (2) Changing the effective date to July 1, 2005; and
- (3) Making technical, nonsubstantive amendments for clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1276, H.D. 3, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1276, H.D. 3, S.D. 1, C.D. 1.

Representatives Kanohe, Luke, Magaoay, Carroll, Schatz and Meyer.
Managers on the part of the House.
(Representative Carroll was excused.)

Senators Kokubun, Hanabusa, Taniguchi and Hemmings.
Managers on the part of the Senate.
(Senator Hanabusa was excused.)

Conf. Com. Rep. 93 on H.B. No. 1301

The purpose of this bill is to appropriate funds, in addition to the amounts requested by the Hawaii Invasive Species Council for the biennial period, to the counties specifically to accelerate the response, control, and eradication efforts for programs and initiatives that are found to be most effective in the control or eradication of priority invasive species, including the coqui frog.

Your Committee on Conference, upon careful consideration, has amended this bill by:

- (1) Specifying that the additional funds are to be used toward the control and eradication of only the coqui frog, and not all priority invasive species;
- (2) Clarifying the proviso that each county work in collaboration with its own invasive species committee or other invasive species working group;
- (3) Deleting an appropriation for fiscal year 2006-2007;
- (4) Changing the total appropriation amount to \$300,000, with the City and County of Honolulu and the County of Kauai to receive \$50,000 each, and the County of Maui and the County of Hawaii to receive \$100,000 each; and
- (5) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1301, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1301, H.D. 1, S.D. 2, C.D. 1.

Representatives Morita, Tsuji, Yamane and Pine.
Managers on the part of the House.
(Representative Pine was excused.)

Senators English, Taniguchi, Kokubun and Hemmings.
Managers on the part of the Senate.

Conf. Com. Rep. 94 on H.B. No. 1758

The purpose of this bill is to prohibit the reduction of weekly unemployment benefit payments to individuals who receive pension payments including those under the Social Security Act or the Railroad Retirement Act of 1974.

Your Committee on Conference has amended this measure by:

- (1) Inserting provisions for the reduction in benefits under specific circumstances for claims filed with an effective date prior to July 1, 2005, and those filed with an effective date beginning on or after July 1, 2005;
- (2) Changing the effective date to July 1, 2005; and

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1758, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1758, H.D. 1, S.D. 1, C.D. 1.

Representatives Caldwell, Nakasone and Fox.
Managers on the part of the House.
(Representative Fox was excused.)

Senators Kanno, Taniguchi and Hogue.
Managers on the part of the Senate.
(Senator Hogue was excused.)

Conf. Com. Rep. 95 on H.B. No. 325

The purpose of this bill is to:

- (1) Authorize employees to use temporary disability insurance sick leave benefits in excess of the minimum statutory temporary disability insurance benefits requirement for family leave purposes; and
- (2) Amend the definition of "sick leave" under the state family leave law.

Your Committee on Conference has amended this measure by:

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 325, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 325, S.D. 2, C.D. 1.

Representatives Caldwell, Takamine, Nakasone and Pine.
Managers on the part of the House.
(Representative Pine was excused.)

Senators Kanno, Taniguchi and Tsutsui.
Managers on the part of the Senate.
(Senator Tsutsui was excused.)

Conf. Com. Rep. 96 on H.B. No. 140

The purpose of this bill is to authorize the Senate Ways and Means, Health, and Human Services Committees and the House Finance, Health, and Human Services Committees to serve as a joint legislative oversight committee to oversee and evaluate:

- (1) The implementation of the Temporary Assistance for Needy Families (TANF) program; and
- (2) TANF fund expenditures.

Your Committee on Conference has amended this bill by:

- (1) Removing reference to legislative oversight and instead requiring public input regarding TANF funding and programs;
- (2) Deleting references to the specific House and Senate committees and instead referring to committees having primary jurisdiction over fiscal, health, and human services issues;
- (3) Clarifying that the hearings are at the discretion of the Legislature and that no fewer than one hearing be held on each island annually only if the Legislature decides to hold hearings; and
- (4) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 140, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 140, H.D. 1, S.D. 2, C.D. 1.

Representatives Sonson, Takamine and Kawakami.
Managers on the part of the House.
(Representative Kawakami was excused.)

Senators Chun Oakland, Taniguchi, Hooser, Kokubun and Tsutsui.
Managers on the part of the Senate.
(Senators Hooser and Kokubun were excused.)

Conf. Com. Rep. 97 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.

Your Committee on Conference has amended this bill by:

- (1) Requiring DHS to submit a report to the Legislature no later than 20 days prior to the convening of the Regular Session of 2006 on the impact of carving out pharmaceutical benefits management from managed care plans;
- (2) Clarifying that DHS shall not take any action to remove pharmaceutical benefits management from managed care plans that provide health care coverage for Hawaii Medicaid beneficiaries and placing the provision in the Session Laws of Hawaii rather than the Hawaii Revised Statutes;
- (3) Changing the effective date to effective upon approval; and
- (4) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1317, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1317, H.D. 1, S.D. 1, C.D. 1.

Representatives Sonson, Arakaki, Hiraki and Kawakami.
Managers on the part of the House.

Senators Chun Oakland, Baker, Taniguchi, Tsutsui and Whalen.
Managers on the part of the Senate.
(Senator Taniguchi was excused.)

Conf. Com. Rep. 98 on H.B. No. 1668

The purpose of this bill is to authorize the issuance of general obligation bonds to finance projects for the executive branch and the judiciary.

Your Committee on Conference finds that the total amount of principal and interest estimated for the general obligation bonds authorized under this measure, and for all bonds authorized and unissued and calculated for all bonds issued and outstanding, will not cause the debt limit of the State to be exceeded at the time of issuance.

Article VII, section 13, of the Constitution of the State of Hawaii requires the Legislature to include a declaration of findings in every general law authorizing the issuance of general obligation bonds, which shall declare the issuance of state bonds authorized will not cause the debt limit to be exceeded at the time of issuance.

Your Committee on Conference has amended this measure by:

- (1) Inserting the appropriate amounts provided by the Department of Budget and Finance; and
- (2) Making technical, nonsubstantive amendments for style and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1668, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1668, S.D. 1, C.D. 1.

Representatives Takamine, Kawakami and Marumoto.
Managers on the part of the House.

Senators Taniguchi, Tsutsui and Slom.
Managers on the part of the Senate.

Conf. Com. Rep. 99 on H.B. No. 500

The purpose of this measure is to provide the necessary appropriations and authorizations for the operation of the Judiciary for fiscal biennium 2005-2007.

Your Committee on Conference has increased the Judiciary's budget in general funds by \$9,644,308 and \$9,394,425 for fiscal year 2005-2006 and 2006-2007, respectively. Collective bargaining accounts for a little over thirty per cent of these general fund increases, with judges and director pay raises, pursuant to authorization by Act 123, Session Laws of Hawaii 2003, accounting for fourteen per cent (\$1,341,102) and eighteen per cent (\$1,723,456), in each respective year.

The remainder of the funding provided by your Committee on Conference is mainly focused upon the continued funding of the Drug Court program. Your Committee on Conference recognizes the importance of the Drug Courts and the significant strides they have made. As such, your Committee on Conference remains dedicated to substance abuse prevention in the State. To this end, in addition to funds from Act 40, Session Laws of Hawaii 2004, your Committee on Conference has provided an additional \$751,998 in general funds for fiscal year 2005-2006 and \$623,161 in general funds for fiscal year 2006-2007 in keeping with its commitment to continue funding the Drug Court program.

Your Committee on Conference has also carefully considered the Judiciary's budget requests and sought to provide general funds for the following items:

- (1) \$297,388 for fiscal year 2005-2006 and \$470,162 for fiscal year 2006-2007 for operating expenses for the new Kauai court complex in the fifth circuit;
- (2) \$359,491 for fiscal year 2005-2006 and \$322,691 for fiscal year 2006-2007 to replace federal funding ending April, 2005, for the juvenile sex offender program to enable the program to continue operating;
- (3) \$170,000 for each year of the fiscal biennium for the Hawaii State Law Library for the most current books and subscriptions;
- (4) \$86,524 for each year of the fiscal biennium to permanently establish the parent education "Kids First" program;
- (5) \$40,000 and \$50,000 for each respective fiscal year for the biennium for the children's justice center program; and
- (6) \$27,000 for each year of the fiscal biennium to provide security guard services for juvenile detention in the third circuit.

Your Committee on Conference has also increased the computer system special fund ceiling in order to accommodate the projected expenditures due to the implementation of the Judiciary integrated case management system computer system.

Your Committee on Conference also provided \$95,000,000 in capital improvement funding for the Kapolei judiciary complex. Your Committee on Conference finds that an immediate appropriation for the complex is necessary to secure 13.6 acres of land from the Estate of James Campbell at no cost to the State.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 500, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 500, H.D. 2, S.D. 2, C.D. 1.

Representatives Luke, Takamine and Thielen.
Managers on the part of the House.
(Representative Thielen was excused.)

Senators Hanabusa, Taniguchi, English, Espero, Fukunaga, Hooser, Inouye, Kanno, Kim, Kokubun, Nishihara, Sakamoto, Tsutsui, Hemmings, Slom and Trimble.
Managers on the part of the Senate.
(Senators Fukunaga and Trimble were excused.)

Conf. Com. Rep. 100 on H.B. No. 100

Overview

Your Committee on Conference has labored to craft a balanced budget that is responsive to the needs and demands of our communities, focusing primarily on improving the quality of life for the people of Hawaii. Inherent in this approach is the need to be mindful of the interrelationships at play between the State and the federal government and how what happens at the federal level impacts the State's role in providing services. This approach also recognizes the pressing needs of our communities, particularly in the areas of education, controlling the crystal methamphetamine or ice epidemic, supporting the most vulnerable people in our communities, and ensuring a sustainable future for our children. The budget crafted by your Committee on Conference:

- Continues to support education system reform efforts initiated by Act 51, Session Laws of Hawaii 2004;
- Continues efforts to stem the ice epidemic by providing the resources needed to meet the objectives established by Act 40, Session Laws of Hawaii 2004;
- Provides additional funding for homeless programs and the general assistance population;
- Ensures that valuable green space will be preserved and protected for future generations;
- Supports the needs of the University of Hawaii system;
- Assists the counties by providing money to maintain their roads; and
- Honors the sacrifices being made by the men and women of the Hawaii National Guard.

Despite strong economic indicators for Hawaii, and the strong revenue projections made by the Council on Revenues, your Committee, as in previous years, continues to take a prudent and fiscally responsible approach to balancing competing demands for resources in the development of the Executive Biennium Budget.

National Economy

The United States economy is growing at a steady pace with low unemployment, inflation, and interest rates, with many forecasters expecting non-inflationary real growth to continue. At the same time, the strain associated with the increasing demand on resources created by the solid performance of the economy is cause for concern. Rising oil prices and growing inflationary pressures are just a couple consequences of an economy that has seen sustained growth. In general, the adverse effects from these factors do not

appear to threaten the overall outlook for continued expansion. However, how those adverse effects are resolved could substantially impact on United States national economic performance.

Council on Revenues

At its March 8, 2005 meeting, the Council on Revenues updated its forecast of the general fund tax revenues for fiscal year 2004-2005 and beyond. The growth rate for the current fiscal year is forecast at ten per cent, up from 8.8 per cent from its January 6, 2005 prediction. However, the Director of Taxation cautioned the Council that the bulk of the increase in revenues over the last fiscal year is attributable to one-time events that are unlikely to be repeated. The Council also revisited their visitor arrival assumptions and deemed them too high. Applying that rate to our current visitor levels would mean that total visitor arrivals would exceed 8,000,000 a year in the very near future. This was deemed to be an unrealistic forecast given our current capacity and lack of plans to increase it. The growth forecast was therefore lowered for fiscal year 2005-2006 from 5.3 per cent to five per cent and for the following year from 5.7 per cent to 4.9 per cent.

Although the outlook based upon the Council's projections is promising, your Committee on Conference proceeded with caution in anticipation of the reduction in state tax revenue. Additionally, a reduction in federal funding to Hawaii is looming on the horizon as Congress debates the President's plan to shift more of its current services and obligations onto the states.

Budget Situations in Other States

According to the *State Budget Update, April 2005*, published by the National Conference of State Legislatures, state revenues are improving, but not enough to ameliorate continued budget gaps in a number of states.

Budget shortfalls continue, even though state revenues outpace estimates. Only a few states are reporting that collections from major tax sources are below previous estimates.

The problems are not with revenues but with expenditures. In recent years, states were forced to make drastic reductions to spending. These prior year reductions have placed extreme pressure on lawmakers to restore appropriations to previous levels. In addition, lawmakers have had to contend with increases in Medicaid and other health care costs. According to the National Conference on State Legislatures, this collision between current increases to revenues and prior year reductions is responsible for maintaining budget gaps in at least half the states:

- Thirty-one states report fiscal year 2005 spending overruns for some portion of the budget, compared with twenty-three states in November 2004.
- Rising health care costs and utilization are driving Medicaid and other health care programs over budget, a trend that began several years ago. Through the first eight months of the fiscal year, Medicaid and other health care spending exceed appropriations in twenty-three states (compared with sixteen in November).
- Corrections expenses are over budget in thirteen states, up from seven in November. In some of these states, pharmaceutical costs and other medical services explain the overruns.
- Property tax relief programs are over budget in Ohio and Maine.
- Other programs above budgeted levels include temporary assistance to needy families, mental health services, district courts, state parks, employee health insurance, and K-12 education.

Hawaii in Relation to Other States

According to National Conference of State Legislatures, Hawaii joins the overwhelming majority of states with no budget gaps for fiscal year 2004-2005. Hawaii also falls in line with half of the states entering fiscal year 2005-2006 without any spending overruns. Performance of major tax categories has exceeded expectations from last year, with the outlook for fiscal year 2005-2006 being positive but not likely to match or exceed the current fiscal year's rate of growth.

Collective Bargaining

Your Committee on Conference finds that, in any organization, the quality of services delivered is determined by the quality of its employees. By addressing the salary and other conditions of work issues of teachers, firefighters, engineers, nurses, and other public workers, it should be easier to select and retain the best public servants who can provide the best services to the people of Hawaii. In today's economy, the public sector must remain competitive with the private sector in terms of wages and benefits.

Your Committee on Conference adjusted expenditures to account for the collective bargaining agreements for the Hawaii Government Employees Association, United Public Workers, and the Hawaii State Teachers Association.

These agreements will cost the State the following amounts:

	<u>Fiscal Year 2005-2006</u>	<u>Fiscal Year 2006-2007</u>
Hawaii Government Employees Association	\$31,200,000	\$81,000,000
Hawaii State Teachers Association	\$20,500,000	\$77,100,000
United Public Workers	\$9,100,000	\$20,500,000

Budget Highlights

Lower Education

On October 2004, the Board of Education approved a biennial operating budget request of an additional \$102,700,000 to address essential public school programs. The biennial budget was later revised upward an additional \$3,000,000.

However, after reviewing and revising the Board of Education's biennial budget request, the executive branch submitted a biennial budget on behalf of the Department of Education totaling only \$23,500,000, creating underfunded and unfunded public education needs that totaled approximately \$79,200,000 to \$82,100,000.

One of your Committee on Conference's top priorities was to address the shortfalls in public education. Your Committee on Conference exceeds the Governor's proposal by almost twice the amount requested for the Department of Education. Still, the almost \$40,000,000 appropriated by your Committee on Conference does not fully provide for budgetary shortfalls in the Department of Education. However, in light of lower revenue projections from the Council on Revenues in its March 2005 forecast, your Committee on Conference feels it did its best in crafting a balanced budget that not only addressed educational priorities but other top priorities as well.

Nationwide, the number of students diagnosed with autism spectrum disorder increases by approximately ten to seventeen per cent annually. In Hawaii, the increase in the number of students diagnosed with autism spectrum disorder is estimated at sixteen per cent annually. Based upon its initial analysis, the Department of Education requested an additional \$6,000,000 for the fiscal biennium 2005-2007 to address the needs of students diagnosed with autism spectrum disorder. Although the Governor approved the amount, further analysis indicated that, for the fiscal biennium 2005-2007, the additional amount needed to address the needs of students diagnosed with autism spectrum disorder was over \$10,000,000. Your Committee on Conference agreed with this later analysis and provided \$10,000,000 in additional general funds for the treatment of students diagnosed with autism spectrum disorder.

Another priority that the Department of Education identified was the conversion of school principals from a ten-month to a twelve-month salary schedule. With Act 51, Session Laws of Hawaii 2004, also known as the "Reinventing Education Act of 2004," greater responsibilities and expectations are placed upon school principals. As part of the school principal's expanded role, the Department of Education requested that school principals be converted from a ten-month salary schedule to a twelve-month salary schedule. Your Committee on Conference agreed with the Department of Education and appropriated \$5,286,750 in each year of fiscal biennium 2005-2007 to convert the salary schedules of school principals to a twelve-month salary schedule.

In fiscal biennium 2003-2005, the Legislature noted that there were accumulated balances in federal and special funds for school food services. As a result, general fund appropriations were reduced in fiscal biennium 2003-2005 in order for the Department of Education to expend the excess federal and special funds. The Department of Education has informed the Legislature that, by the end of the current fiscal year, those federal and special fund balances will be depleted. Initially, the Department of Education requested over \$10,000,000 in each year of the fiscal biennium. The executive branch submitted its request to the Legislature to restore general funds at less than half of the dollar level needed by school food service.

Subsequent analysis indicated that the shortfall for school food service would be even higher than originally estimated. Increases in food shipping costs resulted in revised increases in shortfall projections of forty to eighty per cent over original estimates. Your Committee on Conference recognizes the support and cooperation that the Department of Education demonstrated in assisting the State in balancing its budget during fiscal biennium 2003-2005. Due to fiscal constraints and your Committee on Conference's philosophy of providing resources to a broad range of basic priorities, your Committee on Conference provided a total of \$20,000,000 in general funds toward school food services. This amount approximates over ninety per cent of the accumulated balances that remained in the school food services' special and federal funds accounts at the beginning of the fiscal biennium 2003-2005.

Finally, the executive branch sought only \$200,000,000 in capital improvement program funds over the fiscal biennium for all of the Department of Education's capital requirements. Your Committee on Conference finds that this offering is embarrassingly short of the \$500,000,000 needed to satisfy the enormous need in repair and maintenance projects, as well as other necessary improvements. As a result, your Committee on Conference increased the Governor's request and provided a total of \$280,000,000 in capital improvement program funds, including \$100,000,000 for school repairs and maintenance.

Higher Education

On September 10, 2004, the University of Hawaii Board of Regents approved a detailed biennial operating budget request of \$70,000,000 (\$31,000,000 in fiscal year 2005-2006 and \$39,000,000 in fiscal year 2006-2007) and forwarded that plan to the Governor. The Board's budget plan included the creation of many positions vital to the expansion of programs, such as workforce development and economic diversification initiatives, to meet the needs of the State in areas of occupational growth as well as personnel shortages (e.g. teaching, nursing, and construction), and leveraging the resources of the University of Hawaii for economic expansion and job creation.

In the 2005 State of the State address, the Governor acknowledged that investment in the University of Hawaii is our best hope for meeting the higher education needs of our residents and that it is imperative that adequate resources be provided to the University.

However, the executive branch later revised the University of Hawaii Board of Regents' budget request down to \$25,000,000 lump-sum amounts of \$10,000,000 in fiscal year 2005-2006 and \$15,000,000 in fiscal year 2006-2007.

Using the lump-sum budget method inherently removes the ties between the specific and detailed goals and objectives of an organization and the resources used to achieve those goals and objectives. As the lump-sum budget request did not originate from the University of Hawaii Board of Regents, the University of Hawaii administration could not adequately provide detailed information as to the allocation of the lump sum amounts. As a result, your Committee on Conference was prevented from performing its responsibility of analyzing the budget request of the University of Hawaii with the due diligence required in budget matters. Your Committee on Conference did not approve of the lump-sum budget requests as presented by the Governor's office. Your Committee on Conference spent countless hours crafting a detailed budget for the University of Hawaii. Your Committee on Conference feels that, although the result is a fair budget for the University of Hawaii, the Committee on Conference's limited resources could have been better spent in reviewing budget request priorities.

While your Committee on Conference recognizes the semi-autonomous status of the University of Hawaii, your Committee on Conference feels that it has a fiduciary duty to review monetary matters, especially matters regarding general funds, paid for by all taxpayers. Your Committee on Conference feels that the transparency and accountability that are paramount concerns in today's government are hindered by lump-sum budgeting. Furthermore, the flexibility and efficiency enjoyed by semi-autonomous governmental units should be balanced with the dissemination of accurate and meaningful information to stakeholders, the public, and other interested parties and individuals.

On March 25, 2004, the Governor, jointly with the President of the University of Hawaii, members of the University of Hawaii Board of Regents, and the University of Hawaii Professional Assembly announced that an unprecedented six-year collective bargaining contract between the State and University of Hawaii professors had been reached, which may exceed all prior year contract lengths. Among other things, the contract provided for pay increases equating to raises of over thirty-four per cent over the six-year contract, with the cost borne entirely by the State for the first three years and then split between the State and University of Hawaii over the last three. Total obligations are estimated to be \$124,000,000 to the State and \$39,000,000 to the University. State law requires that this contract only becomes valid when the Legislature appropriates the necessary funds to pay for the new cost items.

During the 2004 legislative session, members of the Legislature expressed concerns that, in order for the University of Hawaii to pay for its portion of the contract, tuition for students may have to be raised. While your Committee on Conference cannot draw a direct correlation between the pay raises and the actions of the University of Hawaii, your Committee on Conference notes that, in March of this year, the University of Hawaii proposed to increase tuition to more than double its current rate within the next five years. Among its top priorities, the University of Hawaii cited the need to hire and retain faculty and fix classrooms and buildings. While your Committee on Conference recognizes that the needs expressed by the University of Hawaii are legitimate and valid, we note that, in its current biennial budget, the University of Hawaii identified \$20,000,000 (\$4,500,000 in fiscal year 2005-2006 and \$15,500,000 in fiscal year 2006-2007) in additional collective bargaining costs over and above the \$8,600,000 in collective bargaining costs expended in prior years. Despite its concerns, your Committee on Conference recommends to fully provide for the University of Hawaii Professional Assembly's collective bargaining costs of \$37,200,000 (\$13,100,000 in fiscal year 2005-2006 and \$24,100,000 in fiscal year 2006-2007).

Your Committee on Conference remains committed to the vision of creating a world-class institution of higher learning. In spite of substantial collective bargaining costs and lower overall revenue expectations from the Council of Revenues, your Committee on Conference provided nearly \$16,000,000 in general funds for fiscal biennium 2005-2007 in increased support for various University of Hawaii programs, such as nursing, improvements to campus security, workforce development, financial aid and student services to the community colleges, a "B" Plus Scholarship Program, and several Hawaiian studies programs.

Your Committee on Conference also provided \$13,000,000 in general fund appropriations and revolving fund ceiling increases to address projected shortfalls in operating, faculty, and support functions at the new facilities for the John A. Burns School of Medicine. Your Committee on Conference believes that prior University of Hawaii administrations may have been overly optimistic as to the short-term potential of the new John A. Burns School of Medicine facilities at Kakaako to generate external grant and other non-general funds. However, your Committee on Conference continues to believe in the medium and long-range potential of the John A. Burns School of Medicine facilities at Kakaako in becoming a world-class health, biomedical, and biotech research and teaching facility.

In this regard, your Committee on Conference provided for budget shortfalls of the John A. Burns School of Medicine with a combination of general funds and revolving funds. Although the University of Hawaii administration did not adequately budget for "start-up" or operating costs, your Committee on Conference acknowledges that millions of dollars have already been committed to the construction of the John A. Burns School of Medicine. It would not be fiscally prudent to have the facilities sit dormant or underutilized because funds were not provided for the start-up costs or day-to-day operations. Your Committee on Conference also recognizes the fact that, while research has the potential of becoming "self-supporting," this does not apply to the educational portion of the Kakaako facility. The intent of your Committee on Conference is to provide general funds to support costs associated with the educational functions of the facility, while authorizing expenditure ceiling increases from the research and training revolving fund to temporarily support the research component of the John A. Burns School of Medicine, Kakaako facility. This action will give the research component of the facility time to become fully operational to fulfill the expectations of the Legislature, the University community, and the general public in becoming a world-class medical, biomedical, and biotech center. It is hoped that, as more external funding is obtained for research by the School of Medicine, the initial "investment" from the research and training revolving fund will be returned several fold.

The research and training revolving fund is the depository for overhead reimbursements that the State or the University of Hawaii expended in support of administering federal grants. Historically, the University of Hawaii has allowed the research unit that obtained federal grants to retain approximately fifty per cent of the reimbursement, with the vice-president for research and various chancellors receiving the remaining fifty per cent. There are no federal guidelines as to the disposition of federal overhead reimbursements. In the distant past, all federal overhead reimbursements were deposited into the state treasury as general funds.

Finally, your Committee on Conference eliminated approximately two hundred positions from the University of Hawaii system. These positions have been vacant and unfunded for at least one year. Vacant and unfunded positions occur when the University of Hawaii chooses to reallocate funding to other areas of importance. Your Committee on Conference noted that, in the past several years, while other executive branch departments have experienced the reduction of vacant and unfunded positions, very few, if any, vacant and unfunded positions have been reduced from the University of Hawaii inventory. It is estimated that, at the beginning of the 2005 regular legislative session, over five hundred positions were classified as vacant and unfunded in the University of Hawaii system.

While your Committee on Conference, in part, understands the rationale behind the University of Hawaii's desire to retain all of its vacant and unfunded positions, your Committee on Conference also realizes that the University of Hawaii may have exceeded what would be considered acceptable in retaining these vacant and unfunded positions. By reducing a portion of the vacant and unfunded positions from the University of Hawaii, it is hoped that the University will become more efficient and prudent in the management of its position counts.

Substance Abuse Treatment

Your Committee on Conference firmly recognizes the need to continue the work of the Joint House-Senate Task Force on Ice and Drug Abatement, which provided a comprehensive plan last legislative session established under Act 40, Session Laws of

Hawaii 2004, to address the ice epidemic. Accordingly, your Committee on Conference provided an additional \$13,100,000 in general funds to the Department of Health for substance abuse treatment services and prevention programs over the biennium for both adolescents and adults. In addition, your Committee on Conference provided \$1,200,000 in each year of the biennium for the counties to continue support for anti-drug campaigns and community substance abuse prevention, as was provided for in Act 40.

Your Committee on Conference also notes that the level of funding provided for substance abuse prevention exceeds the executive branch's biennial request, which only provided marginal support to stem the ice epidemic.

Public Safety

The paramount concerns of the Department of Public Safety continue to be the overcrowded conditions of our correctional facilities, the deteriorating physical condition of these facilities, and the increased demand for correctional services. For example, on March 7, 2005, there were 3,943 inmates in facilities in Hawaii, although the design capacity is only 3,487. Additionally, 1,617 Hawaii inmates were held in facilities on the mainland and ninety-nine were held at the Federal Detention Center on Oahu.

With the unlikelihood of any new facilities being built in Hawaii in the near future, transferring inmates to the mainland or to the Federal Detention Center is the current solution to reducing the overcrowding at our correctional facilities. This budget approves the transfer of an additional two hundred fifty inmates to out-of-state facilities, which would bring the total Hawaii inmate population housed on the mainland to 1,867. Your Committee on Conference provided \$6,055,128 for fiscal year 2005-2006 and \$7,203,436 for fiscal year 2006-2007 for this purpose. Those amounts include \$1,500,000 per year to cover a 2.50 per cent annual increase in the basic daily fee for the one thousand six hundred inmates currently held in mainland facilities. Furthermore, your Committee on Conference provided \$8,200,000 over the fiscal biennium 2005-2007 for one hundred forty more contract beds at the Federal Detention Center.

With the recent construction of new court buildings and the increased responsibility over state buildings and their interests, your Committee on Conference has provided for eighteen new deputy sheriff positions for Hawaii, Maui, and Oahu courts at a cost of \$566,230 in fiscal year 2005-2006 and \$851,624 in fiscal year 2006-2007.

Health

Your Committee on Conference is committed to strengthening Hawaii's system of care and affirms its support for our most vulnerable populations, including those suffering from mental illness and substance abuse. Your Committee on Conference further reaffirms its commitment to ensuring that the health and safety needs of all of Hawaii's people are met despite the State's limited resources. As such, the appropriations authorized by your Committee on Conference ensure sufficient funds for the Department of Health's high priority areas, specifically, developmental disabilities, adult mental health, and substance abuse.

To provide for the increase in the number of individuals with developmental disabilities admitted to the Home and Community Based Waiver Services, your Committee on Conference provided \$15,710,000 in general funds over the fiscal biennium 2005-2007 to be matched by Title XIX federal funds.

Your Committee on Conference also provided \$1,000,000 in general funds for each year of the biennium to fund emergency medical services for the county of Maui's aeromedical services.

Your Committee on Conference commends the Adult Mental Health Division in complying with its court-ordered mandate in meeting the requirements of the omnibus plan for community mental health services. More importantly, your Committee on Conference acknowledges and appreciates the significant advancements made by the Division in the treatment and care of its patients.

When reviewing the biennial requests of the Adult Mental Health Division, your Committee on Conference was made aware that funding levels for outpatient services were predicated on its earlier emergency appropriation request for this current fiscal year. Based upon updated information provided by the Division, it was determined that the Adult Mental Health Division's original fifteen per cent increase in clients did not materialize as projected. Accordingly, your Committee on Conference was informed that no additional general funds were necessary for the upcoming biennium.

Further, your Committee on Conference acknowledges the recent implementation in December 2004, of the Adult Mental Health Division's new medicaid rehabilitation option to allow for federal reimbursements for eligible state-funded behavioral health services. Given this recent implementation and the lack of historical data to determine how effective its collection rates are, your Committee on Conference did not believe it would be prudent to reduce or make any adjustments to the current base funding levels of the Adult Mental Health Division pending the outcome of the medicaid rehabilitation option program.

Your Committee on Conference also provided \$996,960 in general funds to the Hawaii State Hospital. These funds provide for the increasing costs of pharmaceutical drugs, the implementation of an automated medication dispensing system, as well as the acquisition of medication carts over the biennium. In addition, \$27,500 in general funds was also provided to the Hawaii State Hospital to purchase a truck to meet the growing demands of the facility. Your Committee on Conference further provided \$2,820,000 in general funds for staffing support for the various statewide Community Mental Health Centers.

With regard to the Hawaii Health Systems Corporation, your Committee on Conference is cognizant of the continual and on-going negotiations between the Department of Human Services and the Centers for Medicare and Medicaid Services to amend its current medicaid QUEST demonstration project waiver program. When implemented, the waiver will permit the Corporation's acute care hospitals to recover a portion of their unreimbursed costs for providing health care to those in our population that are either indigent or uninsured. These payments, aptly named "DSH-Like" payments, simulate for Hawaii the "Disproportionate Share Hospital" reimbursements that other states receive by federal allotment provided under federal law.

Your Committee on Conference is mindful that, when implemented, these reimbursements will provide some fiscal relief to the Hawaii Health Systems Corporation. Concurrently, upon receipt of the federal reimbursements, your Committee on Conference

expects the Hawaii Health Systems Corporation to cooperate and to reimburse the state treasury with the appropriate amount of general funds that the Corporation will receive in federal funds.

Your Committee on Conference readily acknowledges the need to support the safety net hospitals and provides a continued recurring source of general funds amounting to \$32,300,000 for fiscal year 2005-2006 and \$34,100,000 for fiscal year 2006-2007 to the Hawaii Health Systems Corporation.

In concluding this section, your Committee on Conference believes that the Healthy Start program warrants attention by the Department of Health's administration. Established in 1985 to prevent child abuse and neglect by providing support for families of newborns, the Healthy Start program appears to be in need of restructuring. Although the department readily acknowledges and has raised concerns about the Healthy Start program, little has been done to address these concerns. Further, concerns raised by service agencies and providers with regard to the program also need to be addressed by the department.

Your Committee on Conference also believes that there is a need for the department to conduct a thorough program review of the Healthy Start program as soon as possible, to develop its findings, and to make appropriate recommendations. To this end, your Committee on Conference has included a proviso for the Healthy Start program to address some of these concerns. Meanwhile, your Committee on Conference has also included a proviso earmarking up to \$2,000,000 from the early intervention special fund in fiscal year 2005-2006 to support the Healthy Start program while the department works to resolve the problems the Healthy Start program faces.

Human Services

Your Committee on Conference reviewed the budget requests of the Department of Human Services and approved the vast majority of them. That approval, however, came with reservations due, in large part, to the absence of timely communication from the department. The lack of information left your Committee on Conference with questions regarding the departments fiscal discipline, accountability for taxpayers' moneys, and the department's responsibility to the Legislature to provide the information necessary to make appropriate decisions. Despite the department's failure to respond to your Committee on Conference's requests for information, your Committee on Conference provided the majority of the department's budget requests.

In program areas where decreases in program population or costs are anticipated because individuals are being encouraged towards self-sufficiency, your Committee on Conference has transferred over \$11,800,000 in general funds from the Temporary Assistance to Needy Families and General Assistance Payments in an attempt to mimic expected reductions in expenditures. These funds will be used to assist Hawaii's rapidly growing aged, blind, and disabled population as well as the non-citizen households under the temporary assistance to other needy families program.

Your Committee on Conference understood that one of the most basic needs for any human being is a decent, safe, and affordable place to live. However, the shortage of affordable rental housing is a serious problem in Hawaii for the many low- and moderate-income-working families. Thus, your Committee on Conference appropriated an additional \$5,000,000 annually for development, construction, and management of affordable housing. In addition, your Committee on Conference realized that the homeless problem facing our State has grown too large. Your Committee on Conference therefore appropriated an additional \$1,600,000 to provide homeless individuals and families with a safer and better living standard.

Your Committee on Conference acknowledges that the soaring costs of medical care and the increased number of uninsured adults and children prompted the need for large spending to assist the people of Hawaii. To offset this cost increase, your Committee on Conference found it necessary to appropriate an additional \$7,500,000 in fiscal year 2005-2006 and \$15,400,000 in fiscal year 2006-2007 to assist the needy adults and children eligible under the Hawaii QUEST program. In addition, your Committee on Conference found that the population of the aged, blind, and disabled has reached over 37,000 recipients and is expected to increase further by approximately sixteen per cent per year. Your Committee on Conference found it crucial to provide payments for medical care to the State's low-income population through the Medicaid program by appropriating additional general funds of \$29,700,000 in fiscal year 2005-2006 and \$41,700,000 in fiscal year 2006-2007 to improve the health care in Hawaii.

Your Committee on Conference remains committed to the home- and community-based services program that provides medicaid waiver services to low-income persons with disabilities and chronic illnesses to live in community settings as an alternative to more costly institutional placement. In caring for the needs of the developmentally disabled and mentally retarded, your Committee on Conference appropriated an additional \$16,100,000 in fiscal year 2005-2006 and \$19,200,000 in fiscal year 2006-2007 for qualified children and adults in the program to improve the much needed health care of our needy population in Hawaii.

Counties

Your Committee on Conference recognized that the counties required assistance in the repair and maintenance of public roads. To this end, your Committee on Conference provided an additional \$10,000,000 to assist each of the counties in their efforts to improve those thoroughfares that suffer from disrepair.

Business, Economic Development, and Tourism

Your Committee on Conference has added \$8,200,000 in fiscal year 2005-2006 and \$9,700,000 in fiscal year 2006-2007 in tourism special funds for the continued expansion of its promotional programs. However, the Committee has also reduced or eliminated funding for marketing in several other areas where the return on investment could not be quantified to justify additional funds.

Your Committee on Conference has also provided \$1,500,000 in each year of the fiscal biennium for the Hawaii Experimental Program To Stimulate Competitive Research that has proven to be successful over the last three years and \$551,769 in fiscal year 2005-2006 and \$251,769 in special funds for fiscal year 2006-2007 for the implementation of the petroleum industry data and information functions as mandated by chapter 486J, Hawaii Revised Statutes.

Taxation

Since 1999, when the Department of Taxation initiated the first phase of the Integrated Tax Management System, the State began to locate and generate additional revenues through improved tax collection efficiencies. Now, with its final phase of implementation completed, your Committee on Conference continues to support the Integrated Tax Management System and is appropriating \$2,500,000 over the next fiscal biennium for production support to ensure that the system continues to operate at its fullest potential.

Your Committee on Conference also provided thirty-one new auditor and collector positions in fiscal year 2005-2006 and six new positions in fiscal year 2006-2007 to facilitate the eventual collection of approximately \$38,700,000 in additional annual tax revenues annually.

Land and Natural Resources

Your Committee on Conference supports continued and expanded efforts to combat invasive species in the State. In response to various threats such as the Coqui frog and *Salvinia molesta*, the 2003 Legislature established the Hawaii Invasive Species Council. The Hawaii Invasive Species Council is charged with protecting the State against invasive species threats to the natural environment, and the health and lifestyle of Hawaii's people. To show its full support in combating invasive species, your Committee on Conference provided \$4,000,000 for fiscal year 2005-2006 and fiscal year 2006-2007.

Recognizing the projected growth of the cruise ship industry in Hawaii and its possible effects on homeland security, your Committee on Conference has provided an additional ten Conservation and Resources Enforcement Officer positions throughout the State, as well as an additional \$287,000 in general funds and \$450,000 in special funds annually. These positions are essential for providing a safe outdoor environment to the 1,200,000 residents and 6,000,000 visitors who utilize the State's natural resources on a regular basis. With the fourth largest coastline in the nation and eleventh largest state forest, the Conservation and Resources Enforcement Division would be hard pressed to continue operating in an effective manner with their current staffing levels. The addition of five positions and the restoration of five previously abolished positions will help increase coverage around the State.

The increasing state population and tourism have placed greater demands on state parks, their recreational facilities, and resources. Facilities in the state parks system were constructed over thirty years ago and have deteriorated to the extent that they pose safety risks to the public and necessitate substantially increased maintenance and repair costs. To this end, your Committee on Conference has provided eleven temporary positions, an additional \$402,000 in general funds over the fiscal biennium, and a special fund ceiling increase of \$1,560,000 over the biennium for the maintenance of state parks. These additional funds will assist in contracting much needed staffing to address continuous, ongoing repairs and maintenance for all parks statewide.

Agriculture

Hawaii's endemic natural resources are its most important economic asset. It spurs a tourist industry that has dominated Hawaii's economy for decades. Your Committee on Conference finds that there is a need to prevent the incursion of invasive species that pose a threat to Hawaii's unique flora and fauna. To address this, your Committee on Conference approved the addition of ten plant quarantine inspector positions to perform detector dog handler duties. Your Committee on Conference also supports the Legislature's commitment to agricultural research by providing \$494,721 in general funds in both fiscal years for agriculture development, research, and marketing.

Your Committee on Conference also values the economic contribution of Hawaii's farmers. On March 23, 2005, the Governor requested the addition of more than \$184,000 in both fiscal years. This was to assist farmers in covering the increasing costs of water use and irrigation maintenance. Your Committee on Conference concurs with the administration to address the farmers' plight and has appropriated the necessary funds to address the situation.

Defense

Your Committee on Conference appreciates the sacrifices made by veterans who defended our freedom and liberties. While the executive branch's request for the rehabilitation of the Hawaii State Veteran's Cemetery was not provided for in this measure, an amount exceeding the requested amount was provided for in H.B. No. 115, H.D. 1, S.D. 2, C.D. 1. In total, \$208,450 was provided for in that measure.

In addition, your Committee on Conference appropriated \$250,000 in general funds for fiscal year 2005-2006 for an event to thank our troops for their service. On behalf of the Legislature, your Committee on Conference expresses its heartfelt gratitude for the courage and hardships that the men and women of the Hawaii National Guard have endured in the name of freedom.

Your Committee on Conference understands the geographic vulnerability of Hawaii. In light of recent events in South Asia, your Committee on Conference funded the conversion of various temporary civil defense positions to permanent status. This will enable the State to be more informed on, and prepared for, natural and man-made disasters. Your Committee on Conference also authorized more than \$10,000,000 in federal funds to reflect homeland security grant funds to assist counties and state agencies in combating terrorist threats.

Conclusion

Despite the strong economic indicators for Hawaii and the Council on Revenues' positive revenue projections, your Committee on Conference has taken an extremely prudent and thoughtful approach to allocating our financial resources in a responsible manner. This balanced budget provides for the needs of our public schools and communities. While public expectations are high, your Committee on Conference has remained vigilant and has carefully scrutinized how taxpayer dollars are spent.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 100, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 100, H.D. 1, S.D. 1, C.D. 1.

Representatives Takamine, Carroll, Chong, Evans, Karamatsu, Kawakami, Lee, Magaoay, Nakasone, Nishimoto, Tanaka, Tsuji, Wakai, Yamane, Yamashita, Fox, Meyer, Moses and Pine.
Managers on the part of the House.
(Representatives Fox and Meyer were excused.)

Senators Taniguchi, English, Espero, Fukunaga, Hooser, Inouye, Kanno, Kim, Kokubun, Nishihara, Sakamoto, Tsutsui, Hemmings, Slom and Trimble.
Senators on the part of the Senate.
(Senators Fukunaga, Kim and Trimble were excused.)

Conf. Com. Rep. 101 on S.B. No. 1038

The purpose of this measure 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);
- (2) Establishing and appropriating funds for HPI at UH.

Government procurement is becoming a distinct field of procedures, laws, regulations, and processes. Government procurement in Hawaii is a powerful economic force in view of the relatively small scale of Hawaii business. The William S. Richardson School of Law at the University of Hawaii is particularly well-equipped to furnish the expertise needed in procurement to ensure that government procurement functions are fair, just, equitable, and efficient. In this manner, businesses of all sizes in this State can benefit from procuring government contracts.

Your Committee on Conference has amended this measure by:

- (1) Adding a purpose section to make a finding that this measure is of statewide concern; and
- (2) Deleting the appropriation; and
- (3) Changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1038, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1038, S.D. 2, H.D. 1, C.D. 1.

Representatives Herkes, Waters, Magaoay, Shimabukuro and Ching.
Managers on the part of the House.

Senators Inouye, Hee, Taniguchi and Whalen.
Managers on the part of the Senate.
(Senator Taniguchi was excused.)

Conf. Com. Rep. 102 on S.B. No. 1592

The purpose of this measure is to:

- (1) Establish a 2050 task force to review the Hawaii state plan and other fundamental components of community planning and to develop recommendations on creating the Hawaii 2050 sustainability plan; and
- (2) Request the Auditor to prepare the Hawaii 2050 sustainability plan, which will define and implement state goals, objectives, policies, and priority guidelines by incorporating some or all of the recommendations of the Hawaii 2050 task force.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$25,000 for the review and recommendations of the Hawaii state plan and other fundamental components of community planning to be performed by the 2050 task force;
- (2) Inserting an appropriation amount of \$75,000 for creating the Hawaii 2050 sustainability plan; and
- (3) Making technical, nonsubstantive changes for style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1592, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1592, S.D. 1, H.D. 2, C.D. 1.

Representatives Herkes, Kanoho, Nakasone, Berg and Meyer.
Managers on the part of the House.

Senators Kokubun, Taniguchi, English and Hemmings.
Managers on the part of the Senate.

Conf. Com. Rep. 103 on S.B. No. 1732

The United States Geological Survey will install a flood warning system at Lake Wilson to provide advance information on an impending flood. The United States Geological Survey will work with the National Weather Service to issue flood warnings and, with the Oahu civil defense agency and Honolulu police department, will help ensure the timely evacuation of residents living downstream from Lake Wilson. However, the State must appropriate matching funds for the purchase of stream gauges and the operation and maintenance of the flood warning system.

Your Committee on Conference has amended this measure by:

- (1) Inserting appropriation amounts of \$19,000 for fiscal year 2005-2006 and \$20,000 for fiscal year 2006-2007;
- (2) Changing the effective date to July 1, 2005;
- (3) Changing the expending agency to the Department of Defense; and
- (4) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1732, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1732, S.D. 1, H.D. 1, C.D. 1.

Representatives Kanohe, Ito, Magaoay and Stonebraker.
Managers on the part of the House.
(Representative Stonebraker was excused.)

Senators Inouye, Taniguchi, Espero, Kanno and Whalen.
Managers of the part of the Senate.
(Senators Kanno and Whalen were excused.)

Conf. Com. Rep. 104 on S.B. No. 3

The purpose of this measure 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 to provide level of care and other additional payments to certain residential service providers; and
- (4) Appropriating monies for payment of residential services provided by developmental disabilities domiciliary homes and developmental disabilities apartment complexes.

Your Committee on Conference amended this measure by:

- (1) Amending subsection 321-15.9(a), Hawaii Revised Statutes (HRS), to authorize the Department of Health to license developmental disabilities domiciliary homes for individuals with developmental disabilities or mental retardation;
- (2) Deleting any reference to the Department of Health licensing, certifying, or regulating a developmental disabilities apartment complex;
- (3) Clarifying that the Director shall establish criteria for contracts for developmental disabilities apartment complexes and where necessary to provide for additional funding for developmental disabilities domiciliary homes;
- (4) Clarifying that the Department of Health may enter into contracts for additional payments for residential services to the providers of developmental disabilities domiciliary homes and payments to operators of developmental disabilities apartment complexes for residential services on terms determined by the Department of Health;
- (5) Deleting the appropriation for payment of residential services provided by developmental disabilities domiciliary homes and developmental disabilities apartment complexes;
- (6) Substituting the term "contracts" for "purchase of service agreements" to conform to chapter 103F, HRS;
- (7) Deleting subsection 321-15.9(f), HRS, which required the rate of payment for residents in the developmental disabilities domiciliary homes to be determined on the same basis as domiciliary care homes as provided under section 436-53, HRS;
- (8) Amending the effective date to take effect on July 1, 2005; and
- (9) Making technical, non-substantive changes for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3, S.D. 2, H.D. 2, C.D. 1.

Representatives Arakaki, Sonson, Kawakami and Finnegan.
Managers on the part of the House.

Senators Baker, Chun Oakland, Tsutsui, Fukunaga, Taniguchi and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 105 on S.B. No. 1420

The purpose of this measure is to ensure that mental health patients receive appropriate medication by:

- (1) Prohibiting the Department of Human Services (DHS) from restricting payment 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 medicaid-eligible or presumed medicaid-eligible patients 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.

Your Committee on Conference has amended this measure by:

- (1) Adding a findings and purpose section;
- (2) Providing that DHS shall not restrict psychotropic medication if it is prescribed by a licensed psychiatrist or by a licensed physician in consultation with a psychiatrist duly licensed in the State;
- (3) Requiring that the definition of psychotropic medication means only those agents approved by the U.S. Food and Drug Administration;
- (4) Specifying that these provisions do not apply to QUEST medical plans;
- (5) Deleting the section regarding presumptive eligibility for medical assistance for individuals in need of emergency psychiatric or psychological service;
- (6) Making the program a pilot project to be repealed on June 30, 2007;
- (7) Requiring DHS to submit a report to the Legislature including the number of prescriptions written pursuant to the measure, the cost and impact of psychiatrists or physicians prescribing medications that are not part of the existing formulary, and the overall utilization under chapter 356, Hawaii Revised Statutes; and
- (8) Changing the effective date to July 1, 2005.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1420, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1420, S.D. 2, H.D. 3, C.D. 1.

Representatives Arakaki, Sonson, B. Oshiro, Takamine, Green and Pine.
Managers on the part of the House.

Senators Baker, Chun Oakland, Tsutsui, Taniguchi and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 106 on S.B. No. 791

The purpose of this measure 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 to license special treatment facilities and therapeutic living programs.

Your Committee on Conference amended this measure by:

- (1) Providing that the amendments in this measure, including the repeal of section 46-15.39, Hawaii Revised Statutes (HRS), shall not apply to any halfway house, clean and sober home, or any other setting that assists individuals in transition to live independently that is in existence prior to the effective date of the measure;
- (2) Specifying that, notwithstanding the repeal of section 46-15.39, HRS, any drug rehabilitation home established pursuant to, or in compliance with, that section, shall continue to be a permitted use in residentially designated zones, including zones for single family dwellings; and
- (3) Amending the effective date of the measure to take effect upon its approval.

Your Committee on Conference finds that clean and sober homes provide a much-needed residential setting for people recovering from substance abuse. Although this measure repeals section 46-15.39, HRS, your Committee on Conference understands that the land use ordinance of the City and County of Honolulu currently exempts clean and sober homes with eight or fewer residents from obtaining a conditional use permit. While clean and sober homes with more than eight residents require a conditional use permit, your Committee urges the City and County of Honolulu to work cooperatively with such homes. Your Committee also requests the 2006 Legislature to revisit this issue next year.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 791, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 791, S.D. 2, H.D. 2, C.D. 1.

Representatives Arakaki, Sonson, B. Oshiro, Kawakami and Stonebraker.
Managers on the part of the House.
(Representative Stonebraker was excused.)

Senators Baker, Tsutsui, Chun Oakland, Hanabusa, Taniguchi and Trimble.
Managers on the part of the Senate.
(Senators Taniguchi and Trimble were excused.)

Conf. Com. Rep. 107 on S.B. No. 807

The purpose of this measure is to adjust certain statutorily established salaries of various department heads, deputy department heads, and certain other administrative positions, including the:

- (1) Chief Election Officer;
- (2) Auditor and the Deputy Auditor;
- (3) Legislative Reference Bureau Director and the Director's First Assistant;
- (4) Chairperson of the Hawaii Labor Relations Board;
- (5) Ombudsman and the Ombudsman's First Assistant Ombudsman;
- (6) Administrator of the State Procurement Office;
- (7) Stadium Authority Manager and Deputy Manager;
- (8) Vice-Director of Civil Defense;
- (9) Deputy for Water Resource Management;
- (10) Executive Director and the Executive Director's Executive Assistant 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.

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

- (1) Deleting all sections relating to providing salary increases to the heads and their deputies or first assistants of the legislative service agencies;

- (2) Deleting the sections providing salary increases to the Deputy for Water Resource Management, the Executive Director and the Executive Director's Executive Assistant of the Housing and Community Development Corporation of Hawaii, and the Executive Director of the Office of Community Services;
- (3) Inserting appropriation sections that appropriate funds to pay for the salary increases;
- (4) Changing the effective date to July 1, 2005; and
- (5) Making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 807, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 807, S.D. 1, H.D. 1, C.D. 1.

Representatives Caldwell, Shimabukuro, Takamine and Moses.
Managers on the part of the House.

Senators Taniguchi, Inouye, Tsutsui and Slom.
Managers on the part of the Senate.
(Senator Slom was excused.)

Conf. Com. Rep. 108 on S.B. No. 960

The purpose of this measure is to appropriate funds for various tsunami preparedness efforts.

Specifically, the bill provides funds for:

- (1) Installing and maintaining new siren systems;
- (2) Updating evacuation maps in telephone books;
- (3) Constructing additional shelter space and retrofitting existing public buildings that could serve as emergency shelters;
- (4) Providing around-the-clock alert staff for the Civil Defense Division of the Department of Defense; and
- (5) Expanding the public education campaign to emphasize the need for tsunami preparedness.

Your Committee has amended the measure by expanding the scope of the bill to include any emergency related to a natural disaster. Specifically, the amendments:

- (1) Require the Department of Defense to develop Hawaii public shelter and residential safe room design criteria by January 1, 2006; provided that safe room prototype models are developed with public or private sector grants or investments;
- (2) Require the Department of Defense to coordinate the work involving retrofitting public buildings with appropriate government agencies;
- (3) Appropriate \$2,000,000 from the Hurricane Reserve Trust Fund for the 2005-2007 biennium to finance tsunami preparedness efforts and allowing the use of the funds to acquire federal matching funds;
- (4) Expand the definition of the term "wind resistive devices" to include safe rooms built pursuant to Department of Defense specifications;
- (5) Decrease the reimbursement rate for the installation of wind resistive devices from fifty to thirty-five per cent under the Loss Mitigation Grant Program and delete the reference to "inspection";
- (6) Allow the awarding of grants for residential safe rooms under the Loss Mitigation Grant Program;
- (7) Authorize the transfer of \$2,000,000 to the Loss Mitigation Grant Program through the Hurricane Reserve Trust Fund and the Loss Mitigation Grant Fund; and
- (8) Change the effective date of this measure to July 1, 2005.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 960, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 960, H.D. 1, C.D. 1.

Representatives Ito, Tanaka, Chong and Stonebraker.
Managers on the part of the House.
(Representative Stonebraker was excused.)

Senators Inouye, Taniguchi, Espero, Tsutsui and Whalen.
Managers on the part of the Senate.
(Senators Tsutsui and Whalen were excused.)

Conf. Com. Rep. 109 on S.B. No. 669

The purpose of this measure is to authorize the Board of Agriculture to rent the animal quarantine property and facilities to third parties.

This measure also requires all revenues generated by the use or rental of the property or facilities to be deposited into the Animal Quarantine Special Fund and to be used to defray operational costs of the animal quarantine program, as well as minimize the animal quarantine fees.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that the property or facility will be leased or rented at fair market value;
- (2) Making technical, nonsubstantive changes for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 669, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 669, S.D. 2, H.D. 1, C.D. 1.

Representatives Abinsay, Tsuji and Meyer.
Managers on the part of the House.

Senators Kokubun, Taniguchi and Hemmings.
Managers on the part of the Senate.

Conf. Com. Rep. 110 on S.B. No. 1451

The purpose of this measure is to appropriate funds to develop comprehensive strategies that establish broad water quality management goals for the entire Lake Wilson catchment consistent with comprehensive watershed management and to secure funding and coordinate the implementation of those comprehensive strategies.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$250,000 for fiscal year 2005-2006 to develop the best strategies consistent with comprehensive watershed management to improve the water quality of Lake Wilson;
- (2) Deleting the 2006-2007 fiscal year appropriation for the coordination and implementation of the comprehensive watershed management pilot demonstration project; and
- (3) Making technical, nonsubstantive changes for consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1451, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1451, S.D. 2, H.D. 1, C.D. 1.

Representatives Kanohe, Waters, Magaoay and Ching.
Managers on the part of the House.
(Representative Ching was excused.)

Senators Kokubun, Taniguchi and Hemmings.
Managers on the part of the Senate.

Conf. Com. Rep. 111 on S.B. No. 1250

The purpose of this measure is to require the Board of Education to develop a classification and compensation plan for substitute teachers' pay commensurate with their educational training and academic qualifications.

Your Committee on Conference finds that the Legislature, in 1996, adopted Act 89, Session Laws of Hawaii 1996, and intended that substitute teachers be paid a specific per diem rate based on the annual entry salary step rate established for Class II teachers, with increases based on the most current teachers' salary schedule. In so doing, the Legislature intended that this single rate for substitute teachers would increase as licensed teachers' raises were negotiated, ensuring that the pay for substitute teachers would increase fairly over time.

Substitute teacher salaries has been an on-going sensitive issue, and this measure attempts to assist in its resolution. If this issue remains unresolved, it can negatively impact substitute teachers, the community-at-large, and most importantly, the students who depend on the substitute teachers. Thus, the following amendments were made:

- (1) Establishing that the minimum hourly or per diem rate shall be determined by the Legislature;
- (2) Requiring the Department of Education to develop a classification and compensation schedule;
- (3) Setting pro-rated rates for individuals in classes I, II, and III;
- (4) Appropriating \$500,000 for fiscal years 2006 and 2007;
- (5) Requiring the Department of Education to submit a report to the 2006 Legislature; and

- (6) Changing the effective date to July 1, 2005.

It is the intent of your Committee on Conference to strongly encourage the Department of Education to include no less than two representatives of substitute teachers in its development of the classification and compensation schedule for substitute teachers. As your Committee on Conference is concerned that all issues are properly addressed, the department is requested to ensure that their views are taken into consideration in the development of the schedule.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1250, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1250, S.D. 2, H.D. 2, C.D. 1.

Representatives Caldwell, Takumi, Takamine, Berg, Shimabukuro and Meyer.
Managers on the part of the House.

Senators Kanno, Sakamoto, Taniguchi, Hanabusa and Hogue.
Managers on the part of the Senate.
(Senator Hogue was excused.)

Conf. Com. Rep. 112 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;
- (2) Requiring the payment of a 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) 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.

Your Committee on Conference has amended this measure by:

- (1) Changing the date that the tobacco retail permit is required from July 1, 2006 to December 1, 2006, and providing that the permit shall be valid from December 1 to November 30, renewable thereafter for the same period;
- (2) Establishing the permit fee amount to be \$20;
- (3) Changing the documentation that a permittee shall be required to keep to verify the accuracy of the payment of taxes imposed by the chapter;
- (4) Expanding the Department's authority to include the authority to renew the retail tobacco permit or license, or rescind an order of revocation after a hearing;
- (5) Including lesser penalties for the criminal offenses for the retail sale of cigarettes and other tobacco products without a valid retail tobacco permit;
- (6) Designating what determinations the Department shall make after a hearing;
- (7) Deleting the disposition of revenues amendment and including an appropriation from the tobacco enforcement special fund for the Department up to \$130,953 for fiscal year 2006-2007 to establish and administer the licensing and permitting of tobacco and cigarette sales, including the establishment of three additional permanent full-time positions; and
- (8) Making the effective date of the measure effective upon its approval and repealed on July 1, 2009, with appropriate reenactment language; provided that the appropriation sections shall take effect on July 1, 2006.

Your Committee on Conference requests that the 2006 Legislature consider adjusting the wholesale license fees in accordance with the amount being charged for the retail permits.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 682, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 682, S.D. 2, H.D. 3, C.D. 1.

Representatives Arakaki, B. Oshiro, Kawakami, Green, Karamatsu, Yamashita and Finnegan.
Managers on the part of the House.

Senators Baker, Chun Oakland, Tsutsui, Fukunaga, Taniguchi and Whalen.
Managers on the part of the Senate.
(Senator Taniguchi was excused.)

Conf. Com. Rep. 113 on S.B. No. 802

The purpose of this measure is to establish a state pharmacy assistance program to provide continuing or new prescription drug benefits to eligible elderly and disabled residents, and to facilitate the enrollment and coordination of benefits between the state pharmacy assistance program and the new Medicare Part D drug benefit program provided by the federal Medicare Modernization Act.

This measure will assist Medicare and Medicaid eligible individuals to retain some of their current drug benefits and will also assist a number of Medicare eligible individuals in receiving new drug benefits that they would otherwise no longer receive when dual eligible individuals are required to participate in the federal Medicare Part D drug benefit program on January 1, 2006.

Your Committee on Conference amended this measure by:

- (1) Changing the eligibility requirement from a household income at or below one hundred fifty per cent of the federal poverty level to one hundred per cent of the federal poverty level;
- (2) Appropriating \$2,750,000 out of the state pharmacy assistance program special fund; and
- (3) Changing the effective date to July 1, 2005.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 802, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 802, S.D. 2, H.D. 1, C.D. 1.

Representatives Sonson, Arakaki, Takamine and Finnegan.
Managers on the part of the House.

Senators Baker, Menor, Tsutsui, Chun Oakland, Ige, Taniguchi and Slom.
Managers on the part of the Senate.
(Senators Menor, Taniguchi and Slom were excused.)

Conf. Com. Rep. 114 on S.B. No. 27

The purpose of this measure is to appropriate funds for nonschool-hour programs for children and youth.

The Kapiolani Health System reports that over two thousand five hundred children are abused and neglected each year in Hawaii. The Kapiolani Child At-Risk Evaluation Program is dedicated to helping those children. Its mission is to provide comprehensive, coordinated, and compassionate forensic health services to children who are victims or suspected victims of abuse and neglect. The Kapiolani Child At-Risk Evaluation Program offers pre-placement medical evaluations and comprehensive health evaluations for children entering foster care, and forensic medical evaluations for children who are being investigated for allegations of abuse and neglect.

Your Committee on Conference has amended this measure by:

- (1) Clarifying the correct name of the recipient of the funds as the Kapiolani Medical Center for Women and Children;
- (2) Changing the chapter reference with regard to the authority for the funding; and
- (3) Inserting the appropriation amount of \$200,000 for fiscal year 2005-2006.

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

Representatives Arakaki, Sonson, Kawakami and Pine.
Managers on the part of the House.

Senators Chun Oakland, Tsutsui, Fukunaga, Ihara, Taniguchi and Trimble.
Managers on the part of the Senate.
(Senator Taniguchi was excused.)

Conf. Com. Rep. 115 on S.B. No. 1816

The purpose of this measure is to reduce substance abuse among students by:

- (1) Clarifying student drug abuse assessment referrals;
- (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 study the process by which students are referred for substance abuse assessment and treatment; and
- (4) Appropriating funds for referrals for student substance abuse or dependency assessments.

Your Committee on Conference has amended this measure by:

- (1) Deleting the appropriation of funds for referrals for student substance abuse or dependency assessments;
- (2) Replacing subsection 302A-1134.6(f), Hawaii Revised Statutes (HRS), in its entirety with language that:
 - (A) Permits a child who is subject to the Department of Education's (DOE) disciplinary rules to be allowed to return to school earlier upon evidence that the child has completed a substance abuse assessment and is progressing toward clinical discharge from any substance abuse treatment or substance abuse counseling recommended by the assessment; and
 - (B) Permits a child who, according to the substance abuse assessment, does not need substance abuse treatment or counseling to return to school earlier if the child provides a certified copy of the assessment and the child's parent or legal guardian consents to the child receiving follow-up counseling or other student support services; and
- (3) Making the measure effective upon its approval; provided that the measure will sunset on June 30, 2006, and subsection 302A-1134.6(f), HRS, shall be reenacted in the form in which it read on the day before the approval of the measure.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1816, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1816, S.D. 2, H.D. 2, C.D. 1.

Representatives B. Oshiro, Takumi, Kawakami and Thielen.
Managers on the part of the House.
(Representative Thielen was excused.)

Senators Sakamoto, Baker, Taniguchi, Tsutsui and Hogue.
Managers on the part of the Senate.
(Senator Tsutsui was excused.)

Conf. Com. Rep. 116 on S.B. No. 1661

The purpose of this measure is to:

- (1) Require the conversion of principal positions to twelve-month status;
- (2) Appropriate funds for the continued implementation of the Department of Education's information systems and infrastructure; and
- (3) Establish time periods where a hearing must be requested by a parent or guardian or the department regarding the identification, evaluation, program, or placement of a child with a disability.

Your Committee on Conference finds that it is important to address the public education of children with disabilities. Issues surrounding these special needs students must be properly handled and every possible path to ensure their needs are provided should be developed. This measure addresses the administrative hearing process that determines a student's identification, evaluation, program, or placement due to their disability.

Upon further consideration, your Committee on Conference has made the following amendments:

- (1) Deleted the language referring to principals and the department's information systems and infrastructure;
- (2) Replaced references to handicapped children with children with a disability to reflect the federal language; and
- (3) Changed the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1661, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1661, S.D. 2, H.D. 2, C.D. 1.

Representatives Takumi, Caldwell, Takamine, Yamashita and Finnegan.
Managers on the part of the House.

Senators Sakamoto, Taniguchi, Nishihara, Tsutsui and Hogue.
Managers on the part of the Senate.
(Senators Nishihara and Tsutsui were excused.)

Conf. Com. Rep. 117 on S.B. No. 1394

The purpose of this measure is to implement a federal revenue maximization program for all medicaid-eligible claims for school health services with the assistance of the Department of Human Services and Department of Health.

Your Committee on Conference finds that the Department of Education provides important health services to school-aged children such as counseling, speech/language therapy, and mental health and other behavioral services. This measure would assist in ensuring that additional qualified federal funds are being utilized to provide these important services for the students.

Upon further consideration, your Committee on Conference has amended this measure to change the effective date to upon approval of the measure.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1394, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1394, S.D. 2, H.D. 2, C.D. 1.

Representatives Takumi, Waters, Takamine and Ching.
Managers on the part of the House.

Senators Sakamoto, Hee, Taniguchi, Tsutsui and Hogue.
Managers on the part of the Senate.
(Senators Hee was excused.)

Conf. Com. Rep. 118 on S.B. No. 1814

The purpose of this measure is to authorize the Department of Education to assess and collect impact fees as fair share contributions of developers for state public school facilities construction.

Your Committee on Conference finds that the Department of Education has been struggling with funding its various construction projects. Although there have been some advances in alleviating the number of the department's growing projects, other methods of funding are needed. An alternative approach to a funding mechanism would be authorizing the department to assess and collect impact fees by intergovernmental agreement with a county, as fair share contributions of developers for public school facilities construction.

Upon further consideration, your Committee on Conference replaced the measure's contents from authorizing the department to collect impact fees to creating a school impact fee working group to perform an overview of alternative financing methods for school construction. Further amendments include appropriating \$150,000 for the working group and correcting the effective date.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1814, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1814, S.D. 2, H.D. 2, C.D. 1.

Representatives Takumi, Herkes, Kanoho, Kahikina, Takamine, Evans and Halford.
Managers on the part of the House.
(Representative Halford was excused.)

Senators Sakamoto, Kokubun and Taniguchi.
Managers on the part of the Senate.
(Senator Kokubun was excused.)

Conf. Com. Rep. 119 on S.B. No. 1643

The purpose of this measure is to make various clarifying amendments to the charter school statutes including the following:

- (1) Creating a Task Force on Charter School Governance;
- (2) Ensuring more equitable and stable funding for the basic operations of new century charter schools, including:
 - (a) Establishing and providing funding for a per pupil allocation funding mechanism;
 - (b) Requiring that funds be requested for fringe benefit costs and collective bargaining increases for charter school employee members of collective bargaining units;
 - (c) Allowing additional appropriations for workers' compensation benefits; and
 - (d) Providing charter schools with access to federal education funds;
- (3) Allowing charter school employees to participate in the State's workers' compensation system;
- (4) Ensuring compliance with federal regulations under the Individuals with Disabilities Education Act;
- (5) Clarifying administrative hearing procedures relating to the education of handicapped children; and
- (6) Appropriating funds for these various purposes.

Your Committee on Conference finds ambiguities and discrepancies in the current charter school statutes. This measure assists in resolving many of the problematic issues by clarifying statutory language. Some of these issues were brought to light in the Auditor's report regarding the Na Wai Ola Waters of Life Charter School audit, while other issues have become apparent when employees requested transfers between the Department of Education schools and new century charter schools.

It is the intention of your Committee on Conference to assist new century charter schools to achieve a more equitable and fair administrative structure to encourage their growth and assistance to the State in education.

Upon further consideration, your Committee on Conference has made the following amendments:

- (1) Clarifying the definitions for public schools and new century charter schools;
- (2) Replacing the authority over appointing a business community member to the new century charter school review panel from the executive director to the chairperson of the board of education;
- (3) Clarifying that new century charter schools are exempt from chapter 92;
- (4) Changing the authority and establishing the process of the Board of Education to conduct necessary evaluations and a probationary system;
- (5) Amending the definition of "organizational viability";
- (6) Requiring approval from the charter school administrative office for deductions to per-pupil allocations;
- (7) Clarifying the funding and appropriation process for new century charter schools;
- (8) Appropriating \$50,000 for the task force;
- (9) Appropriating \$1.2 million for fiscal year 2005-2006 and \$1.5 million for fiscal year 2006-2007;
- (10) Deleting language relating to the Individuals with Disabilities Act;
- (11) Changing the effective date; and
- (12) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1643, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1643, S.D. 2, H.D. 2, C.D. 1.

Representatives Takumi, Caldwell, Takamine, Shimabukuro and Finnegan.
Managers on the part of the House.

Senators Sakamoto, Kokubun, Taniguchi and Hogue.
Managers on the part of the Senate.

Conf. Com. Rep. 120 on S.B. No. 1780

The purpose of this measure 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.

This measure will provide the Commission with the support, funding, and additional time needed to fulfill its duties. This includes selecting a strategic plan; coordinating public award recognition of exemplary businesses with parent-friendly policies; raising public awareness on the impact of fatherhood on children; serving as a central clearinghouse and coordinating body for fatherhood activities and services; identifying obstacles impeding the involvement of fathers with their children; and recommending policies and practices that promote and re-engage fathers in the lives of their children.

Your Committee on Conference has amended this measure by:

- (1) Deleting the appropriation;
- (2) Changing the effective date to upon approval and the effective date of the sunset to June 29, 2005; and
- (3) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1780, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1780, S.D. 2, H.D. 2, C.D. 1.

Representatives Sonson, Magaoay, Cabanilla and Stonebraker.
Managers on the part of the House.
(Representative Stonebraker was excused.)

Senators Chun Oakland, Tsutsui, Hooser, Ihara, Kanno, Kokubun, Taniguchi and Trimble.
Managers on the part of the Senate.
(Senators Kokubun, Taniguchi and Trimble were excused.)

Conf. Com. Rep. 121 on S.B. No. 1262

The purpose of this bill is to:

- (1) Place 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) Require the Department of Land and Natural Resources to prepare a baseline environmental study to assist in the drafting of ocean recreational management area rules for the aforementioned area.

The proliferation of commercial ocean recreation activities between Kalaeloa and Kaena Point has impacted longtime commercial and subsistence fishing activities and other traditional public uses of the area. Because the area may soon be unable to reasonably accommodate the number of activities and users, your Committee believes that a baseline environmental study leading to a plan and rules to govern ocean activities along the Waianae Coast is needed. Your Committee also finds that a moratorium on state small boat harbor or boating facility commercial permits for vessels engaged in ocean use activities in the area, pending adoption of boundaries and rules, is a reasonable response to the current situation. Permits issued prior to the moratorium will remain valid.

Your Committee on Conference has amended this measure by:

- (1) Placing the provisions in section 2, regarding the baseline environmental study and management plan and rules, in the session laws instead of codifying them in the Hawaii Revised Statutes;
- (2) Removing an appropriation clause;
- (3) Extending the date upon which the baseline environmental study shall be submitted to the Legislature to not later than twenty days prior to the convening of the Regular Session of 2007;
- (4) Changing the effective date to upon approval; and
- (5) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1262, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1262, S.D. 1, H.D. 2, C.D. 1.

Representatives Morita, Evans, Carroll and Moses.
Managers on the part of the House.

Senators English, Taniguchi, Hanabusa and Hemmings.
Managers on the part of the Senate.
(Senator Hanabusa was excused.)

Conf. Com. Rep. 122 on S.B. No. 1554

The purpose of this measure is to support the counties in addressing the problem of invasive species by permanently establishing the Environmental Workforce Program.

The environmental workforce program was established on an emergency basis 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 national tragedy. The workforce's effectiveness in the control of invasive species and containment of dengue fever demonstrates why continuance of the program can assist the State in its ongoing fight against invasive species. The program will help attain both environmental and economic sustainability.

Your Committee has taken into account concerns raised by the Governor during the previous session regarding whether the environmental workforce program supports the Research Corporation of the University of Hawaii's (RCUH) goals of research and training programs, or whether the program would enhance research, development, and training for the public. Your Committee has added language to allow the RCUH to provide training and research opportunities in the biological or social sciences relevant to the problem of invasive species, thus providing a more explicit linkage between the environmental workforce program and the goals of the RCUH.

Your Committee on Conference has amended this measure by:

- (1) Providing that the State is responsible for funding unemployment claims for those hired under this program, and that the RCUH shall contribute the fringe cost charged to the appropriation for unemployment insurance;
- (2) Allowing the RCUH to provide training and research opportunities in the biological and social sciences related to the eradication of invasive species to the environmental workforce, and giving examples of appropriate training and research subject areas;
- (3) Clarifying that the Hawaii Invasive Species Council shall work with the RCUH to use the workforce effectively;
- (4) Deleting the appropriations section; and
- (5) Changing the effective date of the measure to July 1, 2005.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1554, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1554, S.D. 1, H.D. 2, C.D. 1.

Representatives Morita, Kanoho, Waters, Evans, Shimabukuro and Fox.
Managers on the part of the House.
(Representatives Shimabukuro and Waters were excused.)

Senators English, Taniguchi, Hanabusa, Hooser, Kokubun and Hemmings.
Managers on the part of the Senate.
(Senators Hanabusa and Hooser were excused.)

Conf. Com. Rep. 123 on S.B. No. 1620

The purpose of this measure is to appropriate unspecified amounts of funds to assist various health and human services programs.

This measure makes various appropriations for health and humans services from the emergency budget and reserve fund:

- (1) As a temporary supplemental source of funding for the State during times of emergency, economic downturn, or unforeseen reduction in revenues, in accordance with section 328L-3, Hawaii Revised Statutes; and
- (2) Maintain levels of programs determined to be essential to public health, safety, welfare, and education;

Your Committee on Conference has amended this measure by deleting certain programs and services, adding certain essential services and programs, and extending the lapse date for all appropriations made pursuant to Act 45, Session Laws of Hawaii 2004 to June 30, 2007.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1620, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1620, S.D. 2, H.D. 2, C.D. 1.

Representatives Arakaki, Sonson, Caldwell, Takamine, Yamane and Finnegan.
Managers on the part of the House.

Senators Chun Oakland, Baker, Taniguchi, Fukunaga, Hooser and Kokubun.
Managers on the part of the Senate.
(Senator Fukunaga was excused.)

Conf. Com. Rep. 124 on S.B. No. 212

The purpose of this bill is to provide 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, to direct 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 to appropriate funds out of the Deposit Beverage Container Deposit Special Fund (Special Fund) to support the tax credit and grant program.

Your Committee on Conference, upon careful consideration, has amended this bill by:

- (1) Replacing data in the legislative findings section with updated data;
- (2) Acknowledging in the findings section that another factor contributing to the low public participation rate in the redemption program is the lack of infrastructure supporting the overburdened certified redemption centers and recyclers;
- (3) Changing the purpose of the bill to provide a rebate for the cost of a reverse vending machine purchased by the dealer, and to authorize DOH to solicit requests for proposals to increase opportunities for redemption and improve the recycling infrastructure to handle the growth of the deposit beverage container program;
- (4) Replacing the tax credit and grant programs with a Reverse Vending Machine Rebate Program (Rebate Program) and Redemption Center and Recycling Infrastructure Improvement Program (Infrastructure Improvement Program) to be administered by DOH, and appropriating funds from the Special Fund to support these programs;
- (5) Requiring DOH to annually report to the Legislature on the Rebate Program and the Infrastructure Improvement Program;
- (6) Changing the effective date to upon its approval, subject to a repeal date of June 30, 2006, with certain exceptions; and
- (7) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 212, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 212, S.D. 2, H.D. 2, C.D. 1.

Representatives Morita, Kanoho, Chong, Karamatsu and Fox.
Managers on the part of the House.
(Representative Karamatsu was excused.)

Senators Kokubun, English, Taniguchi and Hemmings.
Managers on the part of the Senate.

Conf. Com. Rep. 125 on S.B. No. 617

The purpose of this measure is to establish the Court Interpreting Services Revolving Fund to support court interpreting services program's educational services and program activities relating to the training, screening, testing, and certification of court interpreters.

Your Committee on Conference has amended this measure by:

- (1) Exempting the Court Interpreting Services Revolving Fund from the central service assessment as well as its pro rata share of administrative expenses for special funds; and
- (2) Appropriating \$100,000 from the Court Interpreting Services Revolving Fund for each year of the fiscal biennium.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 617, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 617, S.D. 1, H.D. 1, C.D. 1.

Representatives Luke, Lee and Moses.
Managers on the part of the House.

Senators Hanabusa, Taniguchi, Chun Oakland and Hogue.
Managers on the part of the Senate.

Conf. Com. Rep. 126 on S.B. No. 708

The purpose of this measure is to amend and clarify laws governing the registration of sex offenders and offenders against children and allowing the public to access information relating to those offenders.

Specifically, this measure:

- (1) Establishes separate registries for sex offenders and offenders against children;
- (2) Allows certain categories of offenders to petition the court in the civil proceeding for termination of registration requirements;
- (3) Establishes legal presumptions, based on the offense, that are to be applied in these civil proceedings;
- (4) 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 to terminate registration requirements if the offender has substantially complied with registration requirements for a period of forty years;
- (5) Clarifies that the standard of proof applicable to a covered offender petitioning the court for termination of public access to registration information is a preponderance of the evidence;
- (6) 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;
- (7) Clarifies the scope and type of offender registration information and permitted disclosures of this information; and
- (8) Appropriates \$1 for fiscal year 2005-2006, for state and county agencies to hire necessary staff to implement these provisions.

Your Committee on Conference has amended this measure by:

- (1) Requiring sexually violent predators, repeat covered offenders, and aggravated sex offenders to comply with registration requirements for life;
- (2) Clarifying that the time periods provided for registration and public access are tolled during any period of time that the covered offender is committed or recommitted to prison or confined to a halfway house or an equivalent facility pursuant to a parole or probation violation;
- (3) Requiring a court to make a determination as to whether a covered offender is a sexually violent predator if a petition requesting termination of registration requirements is filed;
- (4) Deleting the appropriation for state and county agencies; and
- (5) Making technical, non-substantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 708, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 708, S.D. 2, H.D. 2, C.D. 1.

Representatives B. Oshiro, Takamine, Luke and Moses.
Managers on the part of the House.

Senators Hanabusa, Taniguchi, Chun Oakland, Hee and Hogue.
Managers on the part of the Senate.
(Senator Hee was excused.)

Conf. Com. Rep. 127 on S.B. No. 813

The purpose of this measure is to amend the law relating to the use of unemployment trust fund moneys to conform to P.L. 107-147, the Temporary Extended Unemployment Compensation Act of 2002, because the requirements for Reed Act funds distributed in 2002 differ from those of prior special Reed Act distributions.

Additionally, this measure appropriates \$10,000,000 from the unemployment insurance trust fund in each fiscal year of the 2005-2007 biennium to improve the services of the unemployment insurance and workforce development divisions of the Department of Labor and Industrial Relations; provided that:

- (1) \$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
- (2) \$1,000,000 be allocated to Leeward Community College 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.

In 2002, the Department of Labor and Industrial Relations received approximately \$31,000,000 in federal Reed Act funds. These funds have been placed within the unemployment trust fund, which can be utilized for the payment of benefits and expenses incurred for the administration of the unemployment compensation laws, as well as for public employment offices. Your Committee further finds that Reed Act distributions made prior to P.L. 107-147 were restricted to unemployment insurance administration purposes only. Additionally, under section 303(a)(8) of the Social Security Act, state laws must include provisions for the expenditure of all moneys. Therefore, the current law must be amended to allow for the utilization of the 2002 Reed Act funds.

Furthermore, the utilization of these funds is necessary not only to improve the State's automated unemployment insurance and workforce development division services, but also to address the specific needs of the local workforce investment boards of the four counties. Moreover, immigrants from the Freely Associated States and residents of Hamakua, Waimea, Kohala, and Waikoloa should also benefit from these funds through the provision of services under the Wagner-Peyser Act.

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

- (1) Clarifying that the Reed Act funds are appropriated to provide seed money to the Department of Labor and Industrial Relations to be used in consultation with the local workforce investment boards to plan, develop, and implement a computer system to benefit workforce development activities and programs operated by the counties;
- (2) Clarifying that the Oahu workforce investment board shall partner with Leeward Community College to provide federal Wagner-Peyser services for immigrants from the Freely Associated States, pursuant to the workforce development program established under Act 225, Session Laws of Hawaii 2004;
- (3) Providing that of the \$10,000,000 appropriation in each fiscal year of the 2005-2007 biennium, the sum of:
 - (A) \$4,795,000 shall be allocated to the Honolulu workforce investment board; provided that it will partner with Leeward Community College to provide federal Wagner-Peyser services to immigrants from the Freely Associated States;
 - (B) \$1,252,775 shall be allocated to the Maui workforce investment board;
 - (C) \$1,000,000 shall be allocated to the Kauai workforce investment board;
 - (D) \$1,650,000 shall be allocated to the Hawaii workforce investment board; provided that it shall partner with the Department of Labor and Industrial Relations to provide Wagner-Peyser services for the eradication of coqui frogs and other invasive species and to serve the residents of Hamakua, Waimea, Kohala, and Waikoloa; and
 - (E) \$1,302,225 shall be allocated to the Department of Labor and Industrial Relations to be used in consultation with the local workforce investment boards to plan, develop, and implement a computer system to benefit workforce development activities and programs operated by the counties;
- (4) Clarifying that the funds appropriated to the county workforce investment boards are to be used to improve employer outreach and services, labor force pool expansion, capacity building, and to fund some shared costs for the operations of the one-stop career centers within each county;
- (5) Requiring that no funds appropriated under the Act shall be released by the Governor to the Department of Labor and Industrial Relations until all funds appropriated for the counties have been so released;

- (6) Providing that the appropriation of funds are not subject to the allotment system powers under part II of chapter 37, Hawaii Revised Statutes;
- (7) Requiring the Department of Labor and Industrial Relations to report to the Legislature on the status of the timely release of funds appropriated under the Act to the counties; and
- (8) Changing the effective date of the act from July 1, 2010 to be effective upon its approval; provided that the appropriation in section 3 shall take effect on July 1, 2005.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 813, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 813, S.D. 2, H.D. 2, C.D. 1.

Representatives Caldwell, Takamine, Shimabukuro and Meyer.
Managers on the part of the House.

Senators Kanno, Taniguchi and Slom.
Managers on the part of the Senate.

Conf. Com. Rep. 128 on S.B. No. 935

As received, this measure redefined the definition of "public works" to also include projects funded through the issuance of special purpose revenue bonds.

Accordingly, the effect of the measure as received was to have the wages and hours laws governing public works apply as well to projects funded through special purpose revenue bonds.

Your Committee has amended the measure to clarify its intent by further specifying that the projects that are subject to the wage and hours law are those projects whose special purpose bonds are legislatively authorized after January 1, 2006 and whose contract amounts exceeds \$2,000. Furthermore, your Committee has amended this measure by specifying that the wage and hours law is not applicable to home improvements.

Your Committee has also clarified the intent of the measure by adding language: that expressly requires parties to the public works project to pay prevailing wages to the laborers and mechanics working on the project; and requires the Department of Accounting and General Services to collect and maintain certified copies of all payrolls for a special purpose revenue bonds funded project.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 935, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 935, S.D. 1, H.D. 1, C.D. 1.

Representatives Herkes, Caldwell, Takamine, Shimabukuro and Halford.
Managers on the part of the House.

Senators Kanno, Inouye and Taniguchi.
Managers on the part of the Senate.
(Senator Inouye was excused.)

Conf. Com. Rep. 129 on S.B. No. 962

The purpose of this measure is to provide for the manner in which the prevailing wages for laborers and mechanics on public works and indirect public works projects is to be established.

Currently, the determination of prevailing wages is the responsibility of the Director of Labor and Industrial Relations with a formula and guidelines for such determination established in the administrative rules. In order to provide clear guidance on the determination of prevailing wages, your Committee on Conference determines that codification of these rules is necessary and appropriate.

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

- (1) Deleting the section that establishes a category of construction contracts for "indirect public works projects", provides for a system for prevailing wages certification, and establishes monitoring and compliance procedures;
- (2) Restoring subsection 104-2(a), Hawaii Revised Statutes, to continue to require application of chapter 104, Hawaii Revised Statutes, to public work projects in excess of \$2,000, to which a governmental contracting agency is a party;
- (3) Restoring within subsection 104-2(a), Hawaii Revised Statutes, the deleted definitions for the terms "contract"; "governmental contracting agency"; "party"; and "public work";
- (4) Deleting language from section 104-2, Hawaii Revised Statutes, that refers to the application of the section to every "public works or indirect public works project";
- (5) Clarifying within subsection 104-2(b), Hawaii Revised Statutes, that within the determination of prevailing wages, the director shall regard as prevailing the rate of wages paid to the greatest number of those employed in the State in corresponding classes of laborers and mechanics, or what is commonly referred to as the "modal rate";

- (6) Deleting the newly created subsection 104-2(g), Hawaii Revised Statutes, which defined the terms "contract"; "governmental contracting agency"; "indirect public works project"; "party"; and "public works project"; and
- (7) Deleting the savings clause provisions.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 962, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 962, S.D. 2, H.D. 2, C.D. 1.

Representatives Herkes, Caldwell, Takamine, Shimabukuro and Thielen.
Managers on the part of the House.

Senators Kanno, Hanabusa, Inouye and Taniguchi.
Managers on the part of the Senate.

Conf. Com. Rep. 130 on S.B. No. 1808

The purpose of this measure is to protect the balance created by legislation 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. The measure also amends certain provisions for further refinement of the law and the system.

Your Committee on Conference determines that, to achieve a balance of interests, the law, under the current administrative rules regarding the disability compensation division, embodies the balance intended by the Legislature and should be maintained through codification.

Our State Constitution mandates that the Legislature drafts 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 injured workers to gainful employment in the workplace and the interest of the injured worker and 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. Despite the Legislature having made clear the balance achieved by the existing law and rules, the Director of Labor and Industrial Relations sent to the Governor for approval amendments to the administrative rules that, through rulemaking in 2005, would achieve what it could not achieve during the 2004 and 2005 legislative session.

The proposed changes to the Hawaii Administrative Rules (HAR) on workers' compensation, if adopted by the Governor, would represent substantial changes in the law regarding compensability, medical care and treatment, and other benefits, and create formalized contested-case procedures for initiating and handling claims that shifts and increases costs to the claimant and the employer. 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 on Conference believes this action by the Administration, seeking to significantly change HAR §§12-10-1 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 proposed changes to the administrative rules as sent to the Governor April 25, 2005, usurp legislative authority and are proposed at a time of conflicting economic indicators that contradict the need for promulgating procedures in violation of existing law. 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.

Specifically, the amendments to the administrative rules relating to workers' compensation, as submitted to the Governor on April 25, 2005, are 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 Appeals in *Davenport v. City and County of Honolulu*, 100 Haw. 297 (2002), and by the Hawaii Supreme Court in affirming the appellate court at 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 stress injury claims intended by the law to be compensable to be improperly excluded from workers' compensation coverage;
- (2) An injured worker is entitled to temporary disability benefits (TTD) so long as the worker is unable to resume work. (Section 386-31(b), HRS). The commercial guidelines on medical treatment adopted in the amended rules sent by the Director to the Governor establish "presumptive" effect under the amendments (*see* proposed change to sections 12-15-30(d) and 12-15-32, HAR) and those guidelines address not just medical care but the

- number of lost work days an injured worker would be limited to because of the injury. The current law provides no presumption for how long an employee can remain out on TTD before being "able to resume work" and properly leaves that determination to the attending physician, with the right of the Employer to object (*See* section 386-85, HRS);
- (3) 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 amendments to the rules as submitted to the Governor propose 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 an out-of-state, commercial organization's publication and the medical provider would have to rebut the presumption by obtaining another national guidelines standard that supported his or her recommended regime of reasonable medical treatment. (*See* proposed changes to sections 12-15-30(d) and 12-15-32, HAR). The legislature has not allowed for such a presumption under section 386-85, HRS, and intended that medical treatment be assessed as whether it is reasonably related to the nature of the injury under section 386-21, HRS. Medical practitioners are already overworked and struggling to meet the paperwork requirements for handling workers' compensation cases. The rules as submitted to the governor requiring additional justification of any treatment that deviates from a national standard will only reduce the pool of medical providers willing to accept workers' compensation cases. 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 to provide more flexibility in treating the claimant. The Administration's proposal to impose mandatory, presumptively valid commercial guidelines is contrary to the legislative intent on medical treatment 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);
 - (4) 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 and adjusters 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 now have been consistent with this intent by barring discovery procedures typically associated at the appeals board level and civil litigation and only allowing the discovery with approval by the Director upon showing of good cause. (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). Such procedural requirements necessitate that the claimant seek legal representation in any dispute with the employer that requires a hearing. These proposed changes which seek to establish contested hearing type cases at the DCD level are in conflict with the legislative intent of an informal process at the DCD level;
 - (5) 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). The proposed rule also increases the cost to the claimant and employer who must share the cost of the arbitrator or mediator in conflict with the intent of the statute;
 - (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 to create any other presumptions through arbitrarily shifting the burden of proof to one party or the other. The party or parties who must bear the burden of proof are to be determined by law consistent with the purpose of the statute. The amendments to the administrative rules as sent to the Governor propose 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 be required to carry the burden of proof at a hearing. This improperly shifts the balance created by the Legislature between the interests of the different parties to a workers' compensation claim; and
 - (7) 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.

Initially the Administration also proposed changes to the HAR on vocational rehabilitation services. Those changes would have dramatically changed the services provided to injured workers seeking return to work or new employment depending on the extent of the disability from the injury. While the Department of Labor and Industrial Relations has withdrawn the proposed amendments to the vocational rehabilitation rules in the amended rules sent to the Governor, it intends to hold hearings later in 2005 on proposed amendments to the HAR on vocational rehabilitation. The Legislature remains concerned that the existing procedures that balance the interest of all parties could still be dramatically changed before the next session.

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 and its assignment

of this function by the Constitution of the State of Hawaii. This measure guards the Legislature's authority in making the law and setting the policies by:

- (1) Codifying the existing administrative rules that reflect the purpose and intent of the Legislature in enacting chapter 386, HRS; and
- (2) Assuring that the Administration does not usurp the authority of the Legislature to create laws, by limiting the Director's rulemaking authority.

Your Committee on Conference 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.

However, your Committee on Conference further finds that flexibility is required to allow the Director to adjust the amount medical providers can charge for their treatment. Therefore, your Committee on Conference has amended this measure to allow the Director limited power to annually update in the medical fee schedules the amount paid to medical providers as provided in section 386-21(c), HRS.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1808, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1808, S.D. 1, H.D. 1, C.D. 1.

Representatives Caldwell, Takamine and Shimabukuro.
Managers on the part of the House.

Senators Kanno, Menor, Taniguchi and Tsutsui.
Managers on the part of the Senate.
(Senator Menor was excused.)

Conf. Com. Rep. 131 on H.B. No. 390

The purpose of this bill is to permanently exempt lessors who lease vehicles to lessees whose own vehicles are under repair from the rental motor vehicle surcharge tax.

Your Committee on Conference has amended this measure by:

- (1) Changing its effective date to upon its approval; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 390, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 390, H.D. 1, S.D. 2, C.D. 1.

Representatives Souki, Hiraki, Kawakami, Lee and Moses.
Managers on the part of the House.

Senators Menor, Taniguchi, Espero, Tsutsui and Hogue.
Managers on the part of the Senate.
(Senator Tsutsui was excused.)

Conf. Com. Rep. 132 on H.B. No. 168

The purpose of this bill is to promote Hawaii's agricultural industry by appropriating an unspecified amount of funds for the Hawaii Farm Bureau Federation to conduct agricultural research and market development.

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

- (1) Inserting an appropriation of \$500,000 for fiscal year 2005-2006;
- (2) Deleting the appropriation for fiscal year 2006-2007;
- (3) Changing the effective date of this measure to July 1, 2005; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

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

Representatives Abinsay, Tsuji and Halford.
Managers on the part of the House.
(Representative Halford was excused.)

Senators Kokubun, Taniguchi and Hemmings.
Managers on the part of the Senate.

Conf. Com. Rep. 133 on H.B. No. 1641

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

Your Committee on Conference has amended this measure by changing its effective date to July 1, 2005.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1641, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1641, H.D. 1, S.D. 2, C.D. 1.

Representatives Abinsay, Kanoho, Herkes, Tsuji and Halford.
Managers on the part of the House.
(Representative Herkes was excused.)

Senators Kokubun, Taniguchi and Hemmings.
Managers on the part of the Senate.

Conf. Com. Rep. 134 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 Civil Service Personnel System shall have the same benefits and rights of civil service employees employed by other executive agencies.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that transfer of benefits and rights:
 - (a) Does not apply to exempt civil service employees; and
 - (b) Include benefits and rights relating to promotions.
- (2) Inserting language that clarifies that if a collective bargaining agreement does not cover pay adjustments and other adjustments necessary to effectuate the movement of personnel between the two jurisdictions, then these adjustments shall be subject to rules, policies, and procedures established by each respective director.
- (3) Changing the effective date to upon its approval;
- (4) Adding a sunset date of June 30, 2009; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1614, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1614, H.D. 1, S.D. 2, C.D. 1.

Representatives Caldwell, Takumi, Nakasone, Berg and Pine.
Managers on the part of the House.
(Representative Pine was excused.)

Senators Kanno, Sakamoto, Taniguchi, Tsutsui and Whalen.
Managers on the part of the Senate.
(Senators Tsutsui and Whalen were excused.)

Conf. Com. Rep. 135 on H.B. No. 109

The purpose of this bill is to support efforts to create more rural districts by:

- (1) Allowing the counties to work with the Land Use Commission to develop policy and recommend boundary amendments to expand and enhance the use of rural districts;
- (2) Authorizing the convening of an advisory group to redefine rural districts; and
- (3) Appropriating an unspecified sum to accomplish these purposes.

Upon further consideration, your Committee on Conference has amended this bill by creating a new Part that clarifies the permitted uses in the agricultural and rural land use districts. Specifically, this Part amends the land use law by:

- (1) Including golf courses, golf driving ranges, and golf-related facilities as allowable activities within the rural district; and
- (2) Prohibiting golf courses and golf driving ranges within the agricultural district; provided that golf courses and golf driving ranges approved by a county before July 1, 2005, for development within the agricultural district shall be permitted uses within the agricultural district.

Your Committee on Conference has further amended this bill by:

- (1) Inserting the sum of \$50,000 for fiscal year 2005-2006 for a study relating to enhancing the use of rural districts; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

Finally, it is the intent of your Committee on Conference that section 205-4.5(d), Hawaii Revised Statutes, also applies to golf-related facilities as a permitted use within the agricultural district if approved by a county before July 1, 2005.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 109, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 109, H.D. 1, S.D. 2, C.D. 1.

Representatives Kanoho, Abinsay, Herkes, Takamine, Yamashita and Meyer.
Managers on the part of the House.

Senators Kokubun, Hanabusa, Taniguchi and Hemmings.
Managers on the part of the Senate.
(Senator Taniguchi was excused.)

Conf. Com. Rep. 136 on H.B. No. 841

The purpose of this bill is to make various amendments and appropriations to improve public education in the State. Among other things, this bill:

- (1) Assists the continued implementation of Act 51, Session Laws of Hawaii 2004, the Reinventing Education Act of 2004, by:
 - (a) Requiring the Department of Education (DOE) to take immediate steps to convert principal positions to 12-month status; and
 - (b) Appropriating funds, including funds to support information systems, additional personnel;
- (2) Establishes and appropriates funds for a grant program to encourage civic responsibility education in public schools;
- (3) Appropriates funds to purchase social studies and science textbooks;
- (4) Appropriates funds for a new research-based curriculum throughout the public school system to develop the critical and creative thinking skills of students;
- (5) Improves the composition of the Workforce Development Council;
- (6) Appropriates funds for job training and education programs at DOE;
- (7) Allows DOE volunteers to participate in the Employer-Union Health Benefits Trust Fund; and
- (8) Appropriates funds for a volunteer coordinator position in DOE.

Your Committee on Conference has amended this bill by:

- (1) Removing the requirement that DOE take immediate steps to convert principal positions to 12-month status;
- (2) Appropriating \$1,000,000 for fiscal years 2005-2006 and 2006-2007, to:
 - (a) Subsidize information systems projects;
 - (b) Provide for additional support personnel and training and additional data processing systems analysts; and
 - (c) Continue the implementation of Act 51;
- (3) Deleting the provisions relating to the establishment of a grant program to encourage civic responsibility education in public schools;
- (4) Deleting the appropriation of funds for the purchase of social studies and science textbooks;
- (5) Deleting the provisions relating to the establishment of a new research-based curriculum throughout the public school system;
- (6) Deleting the appropriation of funds for job training and education programs at DOE;
- (7) Deleting the provisions allowing DOE volunteers to participate in the Employer-Union Health Benefits Trust Fund;
- (8) Deleting the appropriation of funds for a volunteer coordinator position in DOE; and

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 841, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 841, S.D. 2, C.D. 1.

Representatives Takumi, Caldwell, Chong, Karamatsu and Ching.
Managers on the part of the House.
(Representative Karamatsu was excused.)

Senators Sakamoto, Kanno, Taniguchi, Tsutsui and Hogue.
Managers on the part of the Senate.
(Senators Kanno and Tsutsui were excused.)

Conf. Com. Rep. 137 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 (SPRB) 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.

Your Committee on Conference has amended this measure by:

- (1) Specifying that the Department of Budget and Finance is authorized to issue, in one or more series, SPRBs in a total amount not to exceed \$25,000,000; and
- (2) Changing the effective date to July 1, 2005.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1556, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1556, H.D. 1, S.D. 1, C.D. 1.

Representatives Souki, Abinsay, Evans and Moses.
Managers on the part of the House.
(Representative Moses was excused.)

Senators Inouye, Kokubun, Taniguchi, Espero and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 138 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) Prohibits investigators of the prosecuting attorney and corrections officers not making an election to become a class C member from electing to become a class H member;
- (6) Requires the counties to remit employer contributions to the ERS on a monthly basis rather than semiannually;
- (7) 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
- (8) 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.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 631, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 631, H.D. 1, S.D. 2, C.D. 1.

Representatives Caldwell, Nakasone and Meyer.
Managers on the part of the House.

Senators Kanno, Taniguchi and Slom.

Managers on the part of the Senate.
(Senator Slom was excused.)

Conf. Com. Rep. 139 on H.B. No. 1528

The purpose of this bill is to adjust the salaries of the following positions:

- (1) Chief Election Officer;
- (2) Auditor;
- (3) First Assistant or First Deputy of the Auditor;
- (4) Director of the Legislative Reference Bureau (LRB);
- (5) First Assistant to the Director of LRB;
- (6) Executive Director of the State Ethics Commission;
- (7) Chairperson of the Hawaii Labor Relations Board;
- (8) Ombudsman;
- (9) First Assistant to the Ombudsman;
- (10) Administrator of the State Procurement Office;
- (11) Manager and Deputy Manager of the Stadium Authority;
- (12) Vice-Director of Civil Defense;
- (13) First Deputy to the Chairperson of the Commission on Water Resource Management;
- (14) Executive Director and Executive Assistant of the Housing and Community Development Corporation of Hawaii;
- (15) Chairperson of the Public Utilities Commission;
- (16) Recycling Coordinator of the Office of Solid Waste Management;
- (17) Director of the Executive Office on Aging;
- (18) Chairperson of the Hawaii Paroling Authority;
- (19) Director of the Office of Veterans' Services;
- (20) Chairperson of the Labor and Industrial Relations Appeal Board;
- (21) Executive Director of the Office of Community Services;
- (22) Commissioner of Financial Institutions; and
- (23) The State Public Defender.

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

- (1) Deleting the salary adjustments for all positions except for the following:
 - (A) Auditor;
 - (B) First Assistant or First Deputy of the Auditor;
 - (C) Director of the LRB;
 - (D) First Assistant to the Director of LRB;
 - (E) Executive Director of the State Ethics Commission;
 - (F) Ombudsman; and
 - (G) The First Assistant to the Ombudsman;
- (2) Changing the salary adjustment for the:
 - (A) Auditor by making the Auditor's salary the same as the salary of the Director of Health;
 - (B) First Assistant or First Deputy to the Auditor by limiting the salary of the First Assistant or First Deputy to 87 percent of the Auditor's salary;

- (C) Director of LRB by making the Director's salary the same as the salary of the Director of Health;
 - (D) First Assistant to the Director of LRB by limiting the salary of the First Assistant to 87 percent of the salary of the Director of LRB;
 - (E) Executive Director of the State Ethics Commission by making the Executive Director's salary the same as the salary of the Director of Health;
 - (F) Ombudsman by making the Ombudsman's salary the same as the salary of the Director of Health; and
 - (G) First Assistant to the Ombudsman by limiting the salary of the First Assistant to 87 percent of the salary of the Ombudsman;
- (3) Deleting the severability clause;
- (4) Appropriating funds for salary increases and other cost adjustments attributable to collective bargaining for officers and employees of legislative agencies excluded from collective bargaining for fiscal year 2005-2006, as follows:
- (A) State Ethics Commission, \$25,087;
 - (B) Office of the Auditor, \$61,035;
 - (C) Office of the LRB, \$74,749; and
 - (D) Office of the Ombudsman, \$25,802;
- and
- (5) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1528, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1528, H.D. 2, S.D. 2, C.D. 1.

Representatives Caldwell, Nakasone and Moses.
Managers on the part of the House.

Senators Taniguchi, Inouye and Slom.
Managers on the part of the Senate.
(Senator Slom was excused.)

Conf. Com. Rep. 140 on H.B. No. 1608

The purpose of this bill is to authorize teachers and other Department of Education personnel belonging to collective bargaining unit (5) to provide health benefits to its members through a three-year pilot program allowing for the establishment of Voluntary Employees Beneficiary Association (VEBA) Trust instead of through the Employer-Union Health Benefits Trust Fund (EUTF).

Your Committee on Conference has amended this measure by:

- (1) Allowing any collective bargaining unit to establish its own VEBA Trust by deleting the provisions limiting the establishment of VEBA Trusts to collective bargaining unit (5);
- (2) Inserting language clarifying fiduciary and various other responsibilities of VEBA Trusts created by this Act, specifically to address concerns raised with regards to requirements of the Employee Retirement Income Security Act of 1974;
- (3) Changing the effective date to upon its approval; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1608, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1608, H.D. 1, S.D. 2, C.D. 1.

Representatives Takumi, Caldwell, Takamine and Ching.
Managers on the part of the House.

Senators Kanno, Taniguchi, Fukunaga and Hemmings.
Managers on the part of the Senate.

Conf. Com. Rep. 141 on H.B. No. 260

The purpose of this bill is to fund all collective bargaining cost items negotiated for state employees in collective bargaining unit (11), and salary increases and other cost adjustments for their excluded counterparts.

On March 24, 2005, pursuant to section 89-11(g), Hawaii Revised Statutes, the Governor transmitted proposed legislation to the Legislature containing all items requiring moneys for implementation, which are subject to appropriation.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 260, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 260, S.D. 1, C.D. 1.

Representatives Caldwell, Takamine and Moses.
Managers on the part of the House.

Senators Kanno, Taniguchi, Tsutsui and Slom.
Managers on the part of the Senate.

Conf. Com. Rep. 142 on H.B. No. 263

The purpose of this bill is to fund collective bargaining cost items in the agreements negotiated with collective bargaining units (2), (3), (4), (6), (8), (9), and (13) and salary increases and other cost adjustments for their excluded counterparts.

On April 21, 2005, pursuant to section 89-11(g), Hawaii Revised Statutes, the Governor transmitted proposed legislation to the Legislature containing all items requiring moneys for implementation, which are subject to appropriation.

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

- (1) Removing references to collective bargaining unit (9);
- (2) Inserting specific appropriation amounts to fund cost items negotiated with collective bargaining units (2), (3), (4), (6), (8), and (13) of the Executive Branch, Judicial Branch, and Hawaii Health Systems Corporation and their excluded counterparts for fiscal biennium 2005-2007; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 263, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 263, S.D. 1, C.D. 1.

Representatives Caldwell, Takamine and Moses.
Managers on the part of the House.

Senators Kanno, Taniguchi, Tsutsui and Slom.
Managers on the part of the Senate.

Conf. Com. Rep. 143 on H.B. No. 1597

The purpose of this bill is to fund collective bargaining cost items relating to contributions to the Employer-Union Health Benefits Trust Fund in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (9) and their excluded counterparts.

On March 24, 2005, pursuant to section 89-11(g), Hawaii Revised Statutes, the Governor transmitted proposed legislation to the Legislature containing all items requiring moneys for implementation, which are subject to appropriation.

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

- (1) Including all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (9), including salary increases and other cost adjustments;
- (2) Adding cost items for officers and employees assigned to the Hawaii Health Systems Corporation who are excluded from collective bargaining; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

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

Representatives Caldwell, Takamine and Moses.
Managers on the part of the House.

Senators Kanno, Taniguchi, Tsutsui and Slom.
Managers on the part of the Senate.

Conf. Com. Rep. 144 on H.B. No. 1599

The purpose of this bill is to fund collective bargaining cost items relating to contributions to the Employer-Union Health Benefits Trust Fund (EUTF) in the agreement negotiated with the exclusive bargaining representative of collective bargaining units (2), (3), (4), (6), (8), and (13) and salary increases and other cost adjustments for their excluded counterparts.

On April 21, 2005, pursuant to section 89-11(g), HRS, the Governor transmitted proposed legislation to the Legislature containing all items requiring moneys for implementation that are subject to appropriation.

Along with this proposed legislation, the Governor transmitted a memorandum stating that the parties have not yet reached an agreement with respect to the amounts of contributions to the EUTF and that it appeared unlikely that the parties would reach an agreement in accordance with the timetable established pursuant to section 89-11(g), HRS. In accordance with section 89-11(g), HRS, the Governor submitted recommendations for action to fund the costs of the EUTF based on providing the same matching provisions to Hawaii Government Employees Association as provided in tentative agreements with the Hawaii State Teachers Association and the United Public Workers.

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

- (1) Inserting a reference to collective bargaining unit (9);
- (2) Inserting specific appropriation amounts to fund cost items relating to contributions to the EUTF for collective bargaining units (2), (3), (4), (6), (8), (9), and (13) and their excluded counterparts; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1599, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1599, S.D. 1, C.D. 1.

Representatives Caldwell, Takamine and Moses.
Managers on the part of the House.

Senators Kanno, Taniguchi, Tsutsui and Slom.
Managers on the part of the Senate.
(Senator Tsutsui was excused.)

Conf. Com. Rep. 145 on H.B. No. 19

The purpose of this bill is to enhance the University of Hawaii's (UH) ability to address students' 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) Authorizing the UH Board of Regents to issue \$25,000,000 in revenue bonds to finance the maintenance of any university project or the cost of construction of new housing units at the University of Hawaii at Manoa campus on sites currently used for student housing,

to finance the construction and repair of student housing units.

Your Committee has amended this bill by:

- (1) Increasing the authorization of the issuance of revenue bonds to \$100,000,000 from \$25,000,000;
- (2) Removing the section referencing H.B. No. 1, since H.B. No. 1 did not pass the Legislature this session; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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

Representatives Waters, Chong and Finnegan.
Managers on the part of the House.

Senators Hee, Taniguchi, Tsutsui and Trimble.
Managers on the part of the Senate.
(Senator Tsutsui was excused.)

Conf. Com. Rep. 146 on H.B. No. 1308

The purpose of this bill is to protect and conserve Hawaii's natural beauty and resources for current and future generations by establishing permanent adequate funding for land conservation by increasing the conveyance tax on a sliding scale and dedicating ten percent of the annual proceeds from the conveyance tax for land conservation.

Among other things, this measure:

- (1) Establishes the Land Conservation Fund (Conservation Fund), section 173A-5, Hawaii Revised Statutes (HRS);
- (2) Requires that ten percent of all conveyance taxes be deposited in or credited to the Conservation Fund annually;
- (3) Exempts the Conservation Fund from the central service expenses assessment for special funds;
- (4) Places the Conservation Fund under the administration and management of the Department of Land and Natural Resources (DLNR);
- (5) Amends the definition of "land having value as a resource to the State" to include land with cultural value;
- (6) Specifies that the acquisition of interests or rights in land having value as a resource to the State for the preservation of:
 - (A) Watershed protection;
 - (B) Coastal areas, beaches, and ocean access;
 - (C) Habitat protection;
 - (D) Cultural and historical sites;
 - (E) Recreational and public hunting areas;
 - (F) Parks;
 - (G) Natural areas;
 - (H) Agricultural production; or
 - (I) Open spaces and scenic resources,
 constitutes a public purpose for which public funds may be expended or advanced;
- (7) Directs that the Conservation Fund be used for:
 - (A) The acquisition of interests or rights in land having value as a resource to the State, whether in fee title or through the establishment of permanent conservation easements under chapter 198, HRS; and
 - (B) Annual administration costs for Conservation Fund, which must not exceed five percent of annual fund revenues of the previous year;
- (8) Creating an application process whereby DLNR, with the approval of the Board of Land and Natural Resources (BLNR), grants moneys from the Conservation Fund to state or county agencies and nonprofit land conservation organizations;
- (9) Provides for the manner in which lands acquired by grant moneys from the Conservation Fund may be sold, leased, or otherwise disposed of;
- (10) Modifies the amount of the conveyance tax; and
- (11) Specifies that with respect to the conveyance tax, ten percent must be allocated to the Conservation Fund;

Your Committee on Conference finds that a clear nexus exists between the source of the conveyance tax and providing funding for the preservation and conservation of valuable natural resources. A nexus also exists between the conveyance tax and the growing need for affordable housing. The conveyance tax is currently at the rate of 10 cents per \$100 of the price of the property. Statistics indicate that 92% of the properties sold in 2004 would not have been affected by the new tax rate structure in this bill.

Upon careful consideration, your Committee on Conference has amended this bill by, among other things:

- (1) Requiring BLNR to track amounts disbursed from the Conservation Fund, rather than to the Conservation Fund;
- (2) Clarifying that state agencies, counties, and nonprofit land conservation organizations may acquire interests or rights in land having value as a resource to the State, whether in fee title or through the purchase of permanent conservation easements under Chapter 198, HRS;
- (3) Specifying that any permanent conservation easement established through grants from the Conservation Fund that includes partnership with a federal land conservation program may be transferred only as provided by rules of the federal program;
- (4) Adjusts the conveyance tax in the following manner:
 - (A) Except as provided in paragraph (B):
 - (i) Ten cents per \$100 for properties with a value of less than \$600,000;

- (ii) Twenty cents per \$100 for properties with a value of at least \$600,000, but less than \$1,000,000; and
 - (iii) Thirty cents per \$100 for properties with a value of \$1,000,000 or greater;
- and
- (B) For the sale of a single-family residence or an individual unit in a multifamily dwelling for which the purchaser is ineligible for a county homeowner's exemption on property tax:
 - (i) Fifteen cents per \$100 for properties with a value of less than \$600,000;
 - (ii) Twenty-five cents per \$100 for properties with a value of at least \$600,000, but less than \$1,000,000; and
 - (iii) Thirty-five cents per \$100 for properties with a value of \$1,000,000 or greater;
 - (5) Increases the allocation of the conveyance tax to the Rental Housing Trust Fund from 25 percent to 30 percent;
 - (6) Appropriating \$1,100,000 from the Conservation Fund for fiscal year 2005-2006 for the purchase of agriculture easements to protect farm and ranch lands throughout the state;
 - (7) Requiring the Director of Finance to transfer to the credit of the Conservation Fund on July 1, 2005, all unexpended or unencumbered balances remaining in the Fund for the Environment, which will be repealed on the same date; and
 - (8) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1308, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1308, H.D. 1, S.D. 2, C.D. 1.

Representatives Kanoho, Karamatsu, Carroll, Magaoay, Schatz, Wakai and Thielen.
Managers on the part of the House.
(Representative Schatz was excused.)

Senators Kokubun, Taniguchi, English and Tsutsui.
Managers on the part of the Senate.
(Senator Tsutsui was excused.)

Conf. Com. Rep. 147 on H.B. No. 1554

The purpose of this measure is to provide fee owners of single family and multi-family residential leasehold property with an exclusion from their taxable income of fifty per cent of any proceeds from the sale of the leased fee interest to the lessee.

Your Committee on Conference finds that mandatory leasehold reform for single family residences has successfully reduced the number of single family leasehold residences, allowing homeowners to own the fee interest in their residential lots. Your Committee on Conference further notes that similar efforts to allow the mandatory leasehold conversion of multi-family residences has met with much resistance from the fee owners who were not inclined to part with their fee interest. This resistance has led to the acrimonious repeal of a mandatory leasehold conversion law for multi-family residences in the City and County of Honolulu.

Your Committee on Conference believes that, rather than perpetuating a process that polarizes members of the community, an incentive-based approach to the issue should be pursued. Accordingly, this measure would provide that incentive by allowing a fee owner of residential leasehold properties to exclude, from the fee owner's taxable income, up to fifty per cent of the proceeds the fee owner receives from the sale of the leased fee interest to the lessee.

Your Committee on Conference has amended this measure by:

- (1) Limiting the total amount of income excluded by this measure to a maximum of \$75,000 in the aggregate for all taxpayers in the State in any tax year; and
- (2) Allowing this exclusion to be taken in the tax year beginning after December 31, 2005 and ending prior to January 1, 2007.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1554, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1554, H.D. 2, S.D. 2, C.D. 1.

Representatives Kanoho, Kahikina, Hiraki, Nishimoto and Fox.
Managers on the part of the House.
(Representative Hiraki was excused.)

Senators Menor, Taniguchi, Espero, Tsutsui and Hogue.
Managers on the part of the Senate.
(Senator Tsutsui was excused.)

Conf. Com. Rep. 148 on H.B. No. 1462

The purpose of this measure is to allow the Attorney General to administer programs for the prevention of sexual violence and clarifies and strengthens the Voluntary Response Program.

Your Committee has amended the measure by substituting the amendments to the Voluntary Response Program with S.B. No. 788, S.D.1, H.D.1., relating to the Voluntary Response Program.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1462, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1462, S.D. 1, C.D. 1.

Representatives Kawakami, B. Oshiro and Moses.
Managers on the part of the House.

Senators Taniguchi, Baker, English, Hanabusa and Trimble.
Managers on the part of the Senate.
(Senator Trimble was excused.)

Conf. Com. Rep. 149 on H.B. No. 1224

The purpose of this bill is to improve the administration of the general excise and use taxes by:

- (1) Requiring the Department of Taxation (DOTAX), no later than November 1, 2005, and with unspecified designees selected by the President of the Senate and the Speaker of the House of Representatives (Speaker), to:
 - (A) Identify issues that need to be resolved to effectuate the orderly enactment and operation of a streamlined sales and use tax that is based on the Streamlined Sales Tax Project's Model Agreement and Act (Model Agreement and Act);
 - (B) Draft policy recommendations to resolve these issues for the Legislature; and
 - (C) Conduct for the Legislature, informational briefings on its policy recommendations and its efforts to comply with this bill;
- (2) Requiring DOTAX to submit proposed legislation to the Legislature prior to the Regular Session of 2006 that provides for the implementation of a streamlined sales and use tax in accordance with the Model Agreement and Act;
- (3) Appropriating an unspecified amount of funds, to be expended by DOTAX, to carry out the provisions established in this bill; and
- (4) Repealing the statutory requirement that requires DOTAX to consult with an advisory council with respect to multistate discussions relating to the Streamlined Sales and Use Tax Agreement.

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

- (1) Establishing requirements, procedures, standards, and guidelines for compliance with the Streamlined Sales and Use Tax Agreement;
- (2) Specifying that DOTAX may enter into the Streamlined Sales and Use Tax Agreement with one or more states with the concurrence of the Legislature;
- (3) Deleting the requirement that DOTAX draft policy recommendations to resolve the issues involved in the enactment and operation of a streamlined sales and use tax that is based on the Model Agreement and Act;
- (4) Establishing that DOTAX execute its duties to identify issues that need to be resolved for the enactment and operation of a streamlined sales and use tax that is based on the Model Agreement and Act no later than August 1, 2005, instead of November 1, 2005;
- (5) Specifying that DOTAX work with three designees selected by the President of the Senate and three designees selected by the Speaker;
- (6) Revising the requirement for DOTAX to submit proposed legislation to the Legislature by:
 - (A) Specifying that the proposed legislation is to be submitted to the Legislature prior to January 1, 2007; and
 - (B) Changing the contents of the proposed legislation by:
 - (i) Deleting the requirement for implementation of a streamlined sales and use tax in accordance with the Model Agreement and Act; and
 - (ii) Specifying that the proposed legislation provide any further amendments requested by the Streamlined Sales Tax Project to address issues such as sourcing and rounding and to enhance the operation of a streamlined sales and use tax;

- (7) Declaring that the general excise and use tax law under chapters 237 and 238, Hawaii Revised Statutes, substantially comply with the requirements set forth under the Streamlined Sales and Use Tax Agreement;
- (8) Inserting an appropriation amount of \$50,000, and specifying that the funds are to be used for technical assistance and briefings to enable the Legislature to carry out its responsibilities;
- (9) Establishing certain specific authorized uses of the appropriation;
- (10) Changing the expending agency from DOTAX to the Auditor and establishing that the Auditor shall secure the necessary services to support the project without regard to the Public Procurement Code;
- (11) Allowing contractors contracted by the Auditor to support the project to inspect tax returns and receive abstracts of tax returns and other information contained in the tax returns only for the purpose of conforming the State's general excise and use taxes to the Model Agreement and Act; and
- (12) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1224, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1224, S.D. 1, C.D. 1.

Representatives Takamine, Kawakami and Moses.
Managers on the part of the House.

Senators Taniguchi, Fukunaga, Ige, Tsutsui and Trimble.
Managers on the part of the Senate.
(Senator Ige was excused.)

Conf. Com. Rep. 150 on H.B. No. 1672

The purpose of this bill is to enhance accountability in government by requiring:

- (1) The Director of Finance to conduct a public hearing pursuant to chapter 92, Hawaii Revised Statutes (HRS), prior to restricting or withholding any funds lawfully budgeted and appropriated by the Legislature;
- (2) The Governor to notify recipients of grants under chapter 42F, HRS, on the status of unreleased grants; and
- (3) Budget allotment estimates to include all funds lawfully budgeted and appropriated by the Legislature.

Your Committee on Conference, upon careful consideration, has amended the bill by:

- (1) Deleting the requirement that the Director of Finance conduct a public hearing pursuant to chapter 92, HRS, prior to implementing a restriction or withholding any funds appropriated by the Legislature;
- (2) Deleting the requirement that budget allotment estimates include all funds lawfully budgeted and appropriated by the Legislature; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1672, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1672, S.D. 1, C.D. 1.

Representatives Takamine, Kawakami and Marumoto.
Managers on the part of the House.

Senators Taniguchi, Kokubun and Tsutsui.
Managers on the part of the Senate.

Conf. Com. Rep. 151 on S.B. No. 55

The purpose of this bill is to ensure that employees who work for five or more continuous hours are provided a rest or meal break, except in certain cases.

Pursuant to Act 172, Session Laws of Hawaii (SLH) 1999, the Legislature provided for the right of employees to express breastmilk during a meal period or other break. Specifically, Act 172, SLH 1999, provided that an employee could not be prohibited from expressing breastmilk during any meal or other break required by law. However, neither federal nor state wage and hour laws currently require an employer to provide employees over the age of sixteen a meal period, irrespective of the number of consecutive hours employees may work. Therefore, although it is common business practice for employers to provide their employees with meal breaks, employees in Hawaii have no statutory right to meal breaks.

Therefore, employees who work more than five consecutive hours should be provided at least a thirty-minute meal break, which will safeguard the health and safety of employees, promote work efficiency and productivity, and permit employees to express breastmilk during any meal break. Furthermore, employers should retain control over the utilization of meal breaks in order to provide for continued service and operations throughout the work day and to ensure the welfare of their businesses.

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

- (1) Clarifying that an employer may choose the time for the rest or meal break during the employee's work day;
- (2) Clarifying that if an employee waives a rest or meal break, the employee's work day may only be shortened upon the employer's consent;
- (3) Changing the effective date of the Act from July 1, 2010 to effective upon its approval; and
- (4) Making a technical, nonsubstantive amendment for purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 55, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 55, S.D. 1, H.D. 2, C.D. 1.

Representatives Caldwell, Takamine, Karamatsu, Nakasone, Yamashita and Pine.
Managers on the part of the House.
(Representative Nakasone was excused.)

Senators Kanno, Tsutsui and Taniguchi.
Managers on the part of the Senate.

Conf. Com. Rep. 152 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.

Although the minimum wage amount was recently increased, effective in 2003, the increase has failed to keep pace with the rate of inflation. As a result, a worker's purchasing power has continued to diminish over time. Prior to the most recent increase, no previous adjustment had been made to the minimum wage amount since 1993. In Hawaii, the cost of living is higher than that of much of the rest of the nation, which compels many individuals to work two jobs just to make ends meet. As it appears that we have now turned the corner, heading towards improved economic times, your Committee on Conference believes that it is necessary to assist entry-level workers to allow them to share in this period of economic growth and prosperity.

Upon further consideration, your Committee on Conference has amended the measure by making a technical, nonsubstantive amendment for purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 294, S.D. 3, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 294, S.D. 3, H.D. 1, C.D. 1.

Representatives Caldwell, Takamine, Karamatsu, Shimabukuro and Fox.
Managers on the part of the House.
(Representative Fox did not concur.)

Senators Kanno, Taniguchi and Inouye.
Managers on the part of the Senate.

Conf. Com. Rep. 153 on S.B. No. 738

The purpose of this measure is to allow the Employees' Retirement System (ERS) to compromise or settle claims for benefits, including those claims arising out of detrimental reliance by ERS members on erroneous information provided by the ERS, as approved by the Attorney General.

Specifically, the ERS Board, under this measure, may compromise or settle claims for benefits to which a member or former member of the ERS would not otherwise be entitled if:

- (1) The claim resulted from an erroneous written representation made by an authorized employee of the ERS;
- (2) The member, in good faith reliance on the representation, decided to retire or terminate the member's employment or membership in the ERS; and
- (3) Settlement is approved by the Attorney General.

The Attorney General has opined that, under the current law, the ERS is not authorized to compromise or settle claims in which an ERS member has detrimentally relied on erroneous information provided by the ERS if the settlement or compromise would result in the member receiving benefits that the member is not entitled to receive by statute. This inability to compromise or settle claims may result in severely adverse consequences to the member. Additionally, compromise or settlement is, therefore, also not authorized in other situations that have potentially adverse consequences to a member, such as a case where a member is mistakenly or incorrectly credited with service to which the member is not entitled as a matter of law.

Because a court may determine that manifest injustice has or will result from a member's detrimental reliance on information obtained from the ERS, and in order to promote the fair and efficient disposition of cases, the ERS should be authorized to compromise or settle cases instead of having to participate in full-blown litigation to achieve the same result.

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

- (1) Changing the effective date of the Act from July 1, 2010, to be effective upon its approval; and

- (2) Requiring the Act to apply to claims existing on and arising on or after the effective date of the Act.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 738, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 738, S.D. 1, H.D. 1, C.D. 1.

Representatives Caldwell, Luke, Nakasone and Meyer.
Managers on the part of the House.
(Representative Meyer was excused.)

Senators Kanno, Taniguchi and Slom.
Managers on the part of the Senate.

Conf. Com. Rep. 154 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.

Pursuant to the State Unemployment Taxes Act (SUTA) Dumping Prevention Act of 2004, P.L. 108-295, the Social Security Act was amended with respect to the administration of unemployment taxes and benefits. The Act requires, as a condition of state eligibility for grants for unemployment compensation administration, changes to state unemployment compensation laws to prevent SUTA dumping. SUTA dumping involves employers and financial advisors using acquisitions or restructuring schemes, including shifting of workforce and payroll, in order to pay lower state unemployment taxes than their unemployment experience would normally allow. Therefore, in order to maintain federal certification and to continue to enjoy the benefits of the Federal Unemployment Tax Act tax offset credit and federal administrative grants for the state unemployment insurance program, changes in the current law must be made.

Upon further consideration, your Committee on Conference has amended this measure by changing the effective date of the Act from July 1, 2010 to be effective upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 817, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 817, S.D. 2, H.D. 1, C.D. 1.

Representatives Caldwell, Luke, Takamine, Shimabukuro and Pine.
Managers on the part of the House.
(Representatives Takamine and Pine were excused.)

Senators Kanno, Taniguchi and Slom.
Managers on the part of the Senate.

Conf. Com. Rep. 155 on S.B. No. 944

The purpose of this measure is to fund all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (1), nonsupervisory employees in blue collar positions, and collective bargaining unit (10), institutional, health, and correctional workers.

This measure also funds the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for nonsupervisory employees in blue collar positions and institutional, health, and correctional workers who are excluded from collective bargaining.

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

- (1) Inserting specific amounts to be appropriated to cover the costs of the salary increases and collective bargaining cost items negotiated for collective bargaining units (1) and (10) and excluded counterparts;
- (2) Changing the effective date from July 1, 2006, to July 1, 2005; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 944, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 944, S.D. 1, H.D. 1, C.D. 1.

Representatives Caldwell, Takamine and Moses.
Managers on the part of the House.

Senators Kanno, Taniguchi and Trimble.
Managers on the part of the Senate.

Conf. Com. Rep. 156 on S.B. No. 945

The purpose of this measure is to fund all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (5), teachers and other personnel of the department of education under the same

pay schedule, including part-time employees working less than twenty hours a week who are equal to one-half of a full-time equivalent.

In addition, this measure funds the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for teachers and other personnel of the department of education under the same pay schedule, including part-time employees working less than twenty hours a week who are equal to one-half of a full-time equivalent, who are excluded from collective bargaining.

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

- (1) Inserting specific amounts to be appropriated to cover the costs of the salary increases and collective bargaining cost items negotiated for collective bargaining unit (5) and excluded counterparts from general funds;
- (2) Changing the effective date from July 1, 2006, to July 1, 2005; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 945, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 945, S.D. 1, H.D. 1, C.D. 1.

Representatives Caldwell, Takamine and Moses.
Managers on the part of the House.

Senators Kanno, Taniguchi and Trimble.
Managers on the part of the Senate.

Conf. Com. Rep. 157 on S.B. No. 1194

The purpose of this measure is to provide for the election of the public employee members of the Board of Trustees (Board) of the Deferred Compensation Plan by the members.

Under the current law, the Board is comprised of seven members. Aside from the two ex officio members of the Board, the remaining five members are appointed by the Governor, with confirmation by the Senate. However, to better represent the interests of the members of the Deferred Compensation Plan, the remaining Board members should instead be elected by the plan members themselves. This method of election provides a more democratic process which will allow the decision making of the Board to be brought closer to its own constituency.

Additionally, in order to preserve institutional knowledge, promote continuity, and ensure smooth transition between membership terms within the Board, staggered terms should be utilized.

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

- (1) Requiring all elected members of the Board to serve staggered terms of four years each;
- (2) Providing that the initial and subsequent elections of replacements to fill each elected board position will be conducted prior to the expiration of the staggered terms of each position; and
- (3) Changing the effective date of the Act from July 1, 2010 to be effective upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1194, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1194, S.D. 1, H.D. 2, C.D. 1.

Representatives Caldwell, Nakasone, Chong, Shimabukuro and Halford.
Managers on the part of the House.
(Representative Chong was excused.)

Senators Kanno, Taniguchi and Slom.
Managers on the part of the Senate.

Conf. Com. Rep. 158 on S.B. No. 1579

The purpose of this measure is to fund collective bargaining cost items relating to contributions to the Hawaii Employer-Union Health Benefits Trust Fund in the agreement negotiated with the exclusive bargaining representative of collective bargaining units (1), nonsupervisory employees in blue collar positions, and collective bargaining unit (10), institutional, health, and correctional workers, and their excluded counterparts.

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

- (1) Inserting specific amounts to be appropriated to cover the Hawaii Employer-Union Health Benefits Trust Fund costs negotiated for collective bargaining units (1) and (10) and excluded counterparts from general funds;
- (2) Changing the effective date from July 1, 2006, to July 1, 2005; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1579, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1579, S.D. 1, H.D. 1, C.D. 1.

Representatives Caldwell, Takamine and Moses.
Managers on the part of the House.

Senators Kanno, Taniguchi and Slom.
Managers on the part of the Senate.

Conf. Com. Rep. 159 on S.B. No. 1580

The purpose of this measure is to fund collective bargaining cost items relating to contributions to the Hawaii Employer-Union Health Benefits Trust Fund in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (5), teachers and other personnel of the department of education under the same pay schedule, including part-time employees working less than twenty hours a week who are equal to one-half of a full-time equivalent, and their excluded counterparts.

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

- (1) Inserting specific amounts to be appropriated to cover the Hawaii Employer-Union Health Benefits Trust Fund costs negotiated for collective bargaining unit (5) and excluded counterparts from general funds;
- (2) Changing the effective date from July 1, 2006, to July 1, 2005; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1580, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1580, S.D. 1, H.D. 1, C.D. 1.

Representatives Caldwell, Takamine and Moses.
Managers on the part of the House.

Senators Kanno, Taniguchi and Trimble.
Managers on the part of the Senate.

Conf. Com. Rep. 160 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. This bill amends the existing statute to reflect federal and state rules and the practices and procedures already in place within the Department of Labor and Industrial Relations (DLIR). Furthermore, this measure shifts final decision-making on apprenticeship matters to the body with expertise.

Section 1 of this bill adds to the standards that a program applicant must satisfy to submit a valid apprenticeship program to include standards reflected in the 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 that a continuing need exists in the trade or group of trades and must show a compliance with the "equal to or better than" requirement that is already recognized by the department. Requiring a parallel program to be equal to or better than the existing program is designed to provide meaningful employment for the apprentices who must achieve competitive standards in their trade.

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)).

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

- (1) Including a new section within chapter 372, HRS, as a savings clause in the event any provision of the chapter jeopardizes the receipt by the State of any federal grant-in-aid or other federal allotment under chapter 372, HRS; and
- (2) Deleting language that provided for assurances in the requirements for standards for apprenticeship agreements that a continuing need exists in the trade or group of trades when there are parallel programs.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1889, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1889, S.D. 1, H.D. 2, C.D. 1.

Representatives Caldwell, Takamine and Halford.
Managers on the part of the House.

Senators Kanno, Hee and Menor.
Managers on the part of the Senate.
(Senator Menor was excused.)

Conf. Com. Rep. 161 on H.B. No. 278

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

- (1) Increasing crime victim compensation fees by \$10; and
- (2) Establishing an order of priority for a defendant to make payments in addition to the compensation fee.

Your Committee on Conference has amended this bill by increasing crime victim compensation fees by \$5 instead of \$10.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 278, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 278, H.D. 1, S.D. 1, C.D. 1.

Representatives Luke, Nishimoto and Pine.
Managers on the part of the House.

Senators Hanabusa, Taniguchi, Chun Oakland and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 162 on H.B. No. 460

The purpose of this bill is to clarify that the Chief Election Officer and Campaign Spending Commission may hire employees who are exempt from civil service and excluded from collective bargaining, at their discretion.

Your Committee on Conference, upon careful consideration, has amended this bill by:

- (1) Removing the provision allowing the Campaign Spending Commission to hire employees who are exempt from civil service and excluded from collective bargaining;
- (2) Changing the effective date to upon approval; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 460, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 460, H.D. 2, S.D. 1, C.D. 1.

Representatives Luke, Caldwell, Lee and Thielen.
Managers on the part of the House.

Senators Hanabusa, Kanno, Taniguchi, Hee and Whalen.
Managers on the part of the Senate.

Conf. Com. Rep. 163 on H.B. No. 1393

The purpose of this bill is to transfer the State Commission on the Status of Women from the Office of the Lieutenant Governor to the Department of Human Services for administrative purposes.

Your Committee on Conference has amended this bill by:

- (1) Changing the effective date to upon approval; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

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

Representatives Luke, Lee and Thielen.
Managers on the part of the House.
(Representative Thielen was excused.)

Senators Hanabusa, Taniguchi, Chun Oakland and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 164 on H.B. No. 1763

The purpose of this bill is to ensure the continued effectiveness of the Hawaii Penal Code (Code) by:

- (1) Requiring the Judicial Council (Council), with assistance from an advisory committee appointed by the Council, to conduct a comprehensive review of the Code; and
- (2) Appropriating an unspecified amount of funds for the review.

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

- (1) Inserting an appropriation amount of \$75,000;
- (2) Changing the effective date of the appropriation to July 1, 2005; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1763, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1763, H.D. 2, S.D. 2, C.D. 1.

Representatives Luke, Lee and Moses.
Managers on the part of the House.

Senators Hanabusa, Taniguchi, Hee and Whalen.
Managers on the part of the Senate.

Conf. Com. Rep. 165 on H.B. No. 1745

The purpose of this bill is to improve the Judiciary's efficiency by eliminating reporting requirements that are outdated or perfunctory. This measure also repeals the reporting requirement regarding the activities and expenses of the State Council for Interstate Adult Offender Supervision.

Your Committee on Conference finds that many of the reporting requirements addressed by this bill should be eliminated because they frequently offer minimal or no new information. However, your Committee on Conference also finds that several of these reporting requirements relating to family court matters serve an important purpose and should be continued.

Accordingly, your Committee on Conference has amended this measure by:

- (1) Restoring the Judiciary's mandatory reports relating to:
 - (A) Parental preferences in government contracts, programs, and services that affect parental roles in children's health, welfare, and education;
 - (B) Receipts of and expenditures from the Spouse and Child Abuse Special Account; and
 - (C) All deposits and expenditures from the Parent Education Special Fund;and
- (2) Changing the effective date to July 1, 2005.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1745, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1745, H.D. 1, S.D. 2, C.D. 1.

Representatives Luke, Magaoay and Thielen.
Managers on the part of the House.
(Representative Thielen was excused.)

Senators Hanabusa, Taniguchi, Hee and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 166 on H.B. No. 844

The purpose of this bill is to implement various strategies to promote teacher retention and recruitment. Specifically, this bill:

- (1) Establishes and appropriates funds for the Hawaii Teacher Cadet Program Fund as a separate fund of the Hawaii Alliance for Future Teachers;
- (2) Appropriates funds to Leeward Community College for additional teacher education faculty positions to establish the associate of arts in teaching program;
- (3) Requires the University of Hawaii (UH) to review its admission policies for the College of Education;

- (4) Appropriates funds to UH for additional teacher education faculty positions;
- (5) Appropriates funds to the University of Hawaii College of Education for additional teacher education faculty positions;
- (6) Establishes and appropriates funds for the Hawaii Educator Loan Forgiveness Program to reduce the financial hardships faced by potential student teachers;
- (7) Sets procedures for new hires with respect to job offers, pay, and orientation;
- (8) Appropriates funds for equipment, supplies, and transportation for DOE;
- (9) Establishes and appropriates funds for a Statewide Teacher Induction Program to ensure that a certain new teacher-to-mentor ratio and that all mentors are qualified to work with newly hired teachers;
- (10) Facilitates the licensing of teachers entering DOE by:
 - (A) Expanding the means by which a license may be obtained;
 - (B) Requiring the Hawaii Teacher Standards Board (HTSB) to clearly state requirements needed for Hawaii certification of out-of-state licensed teachers; and
 - (C) Requiring and appropriating funds for HTSB to conduct a study of its various licensing policies;
- (11) Supports the continuing professional development of in-service teachers by appropriating funds for various initiatives;
- (12) Establishes various tax and other financial incentives to improve teacher recruitment and retention, including the preparation of an action plan that seeks to improve teacher compensation over the next 10 years; and
- (13) Establishes and appropriates funds for the Master Teachers Training Program to assist teachers to increase the quality of their teaching skills and to serve as a resource to other teachers.

Your Committee on Conference finds that the State is experiencing a teacher shortage. While effective teaching is of high importance in a successful education system, it is crucial that consideration is given to implementing programs that improve the teacher licensing procedures and the hiring process to encourage teacher retention and recruitment. Additionally, new federal mandates require states to achieve certain educational goals and without proper staffing of instructors, the State will certainly fall behind in meeting the national standards. Your Committee on Conference found that many of the proposed initiatives were received with supportive comments.

Your Committee on Conference has amended this bill by:

- (1) Removing the requirement that UH include in its budget requests the amount of \$250,000 per fiscal year for the Hawaii Educator Loan Forgiveness Program;
- (2) Remove the requirement that principals finalize teacher hiring before the end of the preceding fiscal year;
- (3) Clarifying HTSB's licensing standards and policies;
- (4) Deleting the requirement that HTSB conduct a comparability study of teacher tests used in other states;
- (5) Deleting all provisions that establish various tax and other financial incentives to improve teacher recruitment and retention, including the preparation of an action plan that seeks to improve teacher compensation over the next ten years;
- (6) Deleting all provisions relating to the Master Teachers Training Program;
- (7) Deleting all appropriations for funds except for an appropriation of \$50,000 for the operation of HTSB;
- (8) Changing the effective date to upon approval; provided that section 16 shall take effect on July 1, 2005; and
- (9) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 844, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 844, H.D. 1, S.D. 2, C.D. 1.

Representatives Takumi, Evans, Berg and Finnegan.
Managers on the part of the House.

Senators Sakamoto, Kanno, Taniguchi, Tsutsui and Hogue.
Managers on the part of the Senate.
(Senators Kanno and Tsutsui were excused.)

Conf. Com. Rep. 167 on H.B. No. 1300

The purpose of this bill is to improve early childhood education in the state by:

- (1) Establishing incentives for a quality investment system;
- (2) Establishing and appropriating funds for a temporary Early Childhood Education Task Force (Task Force) to oversee the operational planning to increase access to early learning opportunities, enhance infrastructure, and improve school readiness; and
- (3) Establishing and appropriating funds for a two-year pilot program to provide universal access to early childhood education for families in critical need, as determined by the Department of Human Services (DHS).

Your Committee on Conference has amended this bill by:

- (1) Removing the provisions that require DHS to establish incentives for a quality investment system;
- (2) Removing all the provisions relating to the Task Force and inserting new language for the Task Force as follows:
 - (a) Administratively attaching it to the University of Hawaii (UH);
 - (b) Making the Hawaii Educational Policy Center responsible for administering the work of and providing a facilitator for the Task Force and submitting a report to the Legislature of the Task Force's findings and recommendations;
 - (c) Specifying that the goals of the Task Force are to:
 - (i) Propose an overall plan to increase access to early childhood education opportunities for families;
 - (ii) Develop plans and identify resources needed to improve the quality and services of early childhood learning programs;
 - (iii) Design proposals to support the professional development of early childhood education staff;
 - (iv) Create an implementation plan to motivate and promote the value of and participation in early childhood learning opportunities;
 - (v) Recommend to the Legislature a conceptual framework to be implemented; and
 - (vi) Provide a plan for assessment and exclusion of the plan once implemented;
 - (d) Requiring the Task Force to establish a timeline by which it is to accomplish its goals and tasks;
 - (e) Specifying the 20 members of the Task Force;
 - (f) Authorizing the Task Force to form workgroups and subcommittees as needed;
 - (g) Specifying that its members are to serve without compensation but shall be reimbursed for expenses necessary for the performance of their duties;
 - (h) Exempting the Task Force from chapter 92, Hawaii Revised Statutes (HRS); provided that it make a good faith effort to operate in a manner consistent with the intent of the chapter;
 - (i) Exempting expenditures for the purpose of the Task Force from the Hawaii Public Procurement Code, chapter 103D, HRS; and
 - (j) Repealing the Task Force on June 30, 2006;
- (3) Appropriating \$50,000 to UH to support the operations of the Task Force;
- (4) Removing the provisions that establish and appropriate funds for the early childhood education pilot program;
- (5) Requiring the Department of Education to:
 - (a) Inventory suitable empty public school classrooms for use by early childhood education programs; and
 - (b) Assist in the identification of possible construction sites for private providers to build early childhood education facilities;
- (6) Changing the exceptions to the effective date to reflect the changes made to the bill; and
- (7) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1300, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1300, H.D. 2, S.D. 2, C.D. 1.

Representatives Takumi, Sonson, Kawakami, Berg, Karamatsu, Yamashita and Finnegan.

Managers on the part of the House.

Senators Sakamoto, Chun Oakland, Taniguchi, Fukunaga, Tsutsui and Hemmings.
Managers on the part of the Senate.
(Senators Fukunaga and Hemmings were excused.)

Conf. Com. Rep. 168 on H.B. No. 1304

The purpose Part I of this bill is to establish a temporary health care task force to develop a plan to implement health care for all Hawaii residents.

The purpose of part II is to authorize non-civil service marriage license agents to collect and retain a \$5 surcharge to correct the insufficient compensation currently collected to meet the operating costs of an agent.

Your Committee on Conference has amended Part I of this bill by:

- (1) Placing the task force in the insurance division of the Department of Commerce and Consumer Affairs (DCCA) for administrative purposes;
- (2) Deleting the Director of Health and the Hawaii Uninsured Project as sources of recommendations of prospective appointees for the task force;
- (3) Adding the Insurance Commissioner as a source of prospective appointees for the task force;
- (4) Requiring that a minimum of seven of the members of the task force be selected by the Governor from a list submitted by the Senate President and the Speaker of the House of Representatives;
- (5) Mandating that the Hawaii Uninsured Project facilitate contracting of expert testimony for the task force;
- (6) Appropriating \$200,000 to fund the task force in carrying out its duties, including contracting for services and studies as necessary;
- (7) Designating DCCA as the expending agency for the funds appropriated; and
- (8) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1304, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1304, H.D. 1, S.D. 2, C.D. 1.

Representatives Arakaki, Sonson, Hiraki, Nishimoto, Green and Finnegan.
Managers on the part of the House.

Senators Baker, Menor, Taniguchi, Chun Oakland and Tsutsui.
Managers on the part of the Senate.
(Senator Menor was excused.)

Conf. Com. Rep. 169 on H.B. No. 1051

The purpose of this bill is to facilitate access for Medicaid patients to receive prescribed psychotropic medication, as well as medication for human immunodeficiency virus (HIV), acquired immune deficiency syndrome (AIDS), hepatitis C, and transplant immunosuppressives by:

- (1) Prohibiting the Department of Human Services (DHS) from restricting or limiting payment for psychotropic medication that has been prescribed by a medical professional licensed in Hawaii;
- (2) Directing DHS to presume eligibility for Medicaid assistance for individuals in need of emergency psychiatric or psychological services, and to reimburse costs during the period of presumptive eligibility;
- (3) Providing a pre-authorization exemption for psychotropic medication prescribed to an individual who is Medicaid eligible, or presumed to be so;
- (4) Providing an appropriation to facilitate the fulfillment of the intent of this bill; and
- (5) Providing preauthorization exemption for medication prescribed to an individual who is Medicaid eligible, and diagnosed as suffering from HIV, AIDS, hepatitis C, or who is a patient in need of transplant immunosuppressives.

Your Committee on Conference has amended this measure by:

- (1) Removing all reference to psychotropic medication and presumptive eligibility;
- (2) Limiting its scope to Medicaid recipient patients suffering from HIV, AIDS, hepatitis C, or who patients in need of transplant immunosuppressives;

- (3) Specifying that medication prescribed under the preauthorization exemption must be eligible for the Omnibus Budget Reconciliation Rebates Act in addition to being approved by the United States Food and Drug Administration;
- (4) Excluding the application of the preauthorization exemption QUEST medical plans;
- (5) Removing the appropriation;
- (6) Changing the effective date to upon its approval; and
- (7) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1051, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1051, H.D. 2, S.D. 2, C.D. 1.

Representatives Arakaki, Hiraki, Karamatsu, Green and Finnegan.
Managers on the part of the House.

Senators Baker, Menor, Tsutsui, Chun Oakland, Taniguchi and Whalen.
Managers on the part of the Senate.
(Senators Menor and Whalen were excused.)

Conf. Com. Rep. 170 on H.B. No. 115

The purpose of this bill is to recognize and honor the members of the armed forces and their families. Thousands of military service members and their families have been faced with the unexpected news of deployment overseas to protect the freedom and liberty of our state and nation. Not only have active military members stationed in Hawaii been deployed but over 80 percent of Hawaii's own National Guard and reserve components have been sent to Iraq or Afghanistan. These brave men and women of the National Guard and reserve units are citizen-soldiers and have left families, small businesses, jobs, and their homes to protect our freedom.

This bill expresses the appreciation that our state has for our military members by assisting them as follows:

- (1) Providing an appropriation for casket liners and to address the soil problems at the Hawaii State Veterans Cemetery in Kaneohe;
- (2) Authorizing the right of returning members of the military to retain admission to programs of the University of Hawaii system; and
- (3) Allowing enlisted personnel of the army or air national guard who receive a uniform maintenance allowance from the state Department of Defense to designate a financial institution account into which to deposit the member's uniform maintenance allowance.

The purpose of Part II is to appropriate moneys to provide for casket liners to avoid sinking graves and rehabilitate the Hawaii State Veterans' Cemetery. Your Committee on Conference finds that the high moisture content and composition of the soil at the cemetery has caused graves and headstones to sink into unsightly holes that desecrate the sanctity of the cemetery. Accordingly, this bill allows the state Office of Veterans' Services to repair the cemetery and maintain the caskets, urns, and headstones that have sunk into the soil.

The State has a solemn obligation to preserve the final resting place of our departed veterans in a manner befitting the supreme sacrifices that they made for this country. This bill is necessary to preserve the peace and tranquility of the final resting place where family and friends may visit departed veterans.

The purpose of Part III is to require the University of Hawaii to establish a program to allow for the readmission of returning military personnel into programs to which they have been previously admitted.

Part III of this bill is intended to facilitate the return of military personnel and their families to their former lives prior to the disruptions caused by an overseas deployment. Your Committee on Conference understands that some University of Hawaii campuses have already established such programs and are currently studying the feasibility of implementing the process at all campuses.

This measure is important to demonstrate our support and respect for our service members and their families.

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

- (1) Removing the provision related to the military dependent tax credit;
- (2) Removing the provision quantifying the amount of income tax exemption and the provision regarding tax exemption for active military members stationed out-of-state;
- (3) Removing the appropriation for a temporary position to coordinate Joint Venture in Education Forum activities;
- (4) Inserting an appropriation to the section regarding the Hawaii State Veterans' Cemetery;
- (5) Requiring the University of Hawaii to establish a readmission policy for military students;
- (6) Allowing members of the enlisted personnel of the army or air national guard the option to elect direct deposit for their uniform maintenance allowance; and

- (7) Amending the effective date as applicable.

Due to the lack of available funding, provisions related to income tax credits and tax exemptions were unable to be included. Nonetheless, the sections that remain illustrate the appreciation that the people of our state have for our uniformed men and women who have dedicated their lives to defending the freedom and liberty of our nation.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 115, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 115, H.D. 1, S.D. 2, C.D. 1.

Representatives Ito, Chong and Moses.
Managers on the part of the House.
(Representative Moses was excused.)

Senators Sakamoto, Taniguchi, Tsutsui and Hogue.
Managers on the part of the Senate.
(Senator Tsutsui was excused.)

Conf. Com. Rep. 171 on H.B. No. 160

The purpose of this bill is to increase transparency, accountability, and fairness in state assessments of insurers and in the use of those funds by:

- (1) Establishing a formula for establishing the amount of assessments due from all lines of insurance;
- (2) Providing that total assessments are to be calculated based on the Insurance Commissioner's proposed fiscal year budget, less Insurance Division funds left over in the Compliance Resolution Fund (CRF) from the preceding fiscal year, and anticipated revenues;
- (3) Specifying that insurers must be provided with at least 60 days notice of when their assessments are due;
- (4) Setting a ceiling of \$4,000,000 on total assessments of all lines of insurance;
- (5) Requiring the Auditor to conduct an annual financial and management audit of the insurance regulation sub-account of the CRF, to be submitted to the Legislature prior to each regular session;
- (6) Eliminating the Captive Insurance Administrative Fund (Captive Fund) as a source of transfer funds for the CRF; and
- (7) Requiring moneys in the Captive Fund to be used to defray Captive Insurance Branch administrative costs, and specifying the kinds of personnel costs that may be funded.

Your Committee on Conference has amended this bill by:

- (1) Increasing the cap on insurer assessments to \$5,000,000;
- (2) Instead of annual audits, providing for a single financial and management audit of the insurance regulation sub-account of the CRF, to be submitted to the Legislature in 2008;
- (3) Appropriating \$1,500,000 for each of fiscal years 2005-2006 and 2006-2007 for the operating expenses of the Captive Insurance Branch and for development of the captive insurance industry in Hawaii;
- (4) Changing the effective date of the bill from July 1, 2010, to July 1, 2005; and
- (5) Making a technical, nonsubstantive amendment for clarity and consistency.

Your Committee on Conference finds that implementation of the insurer assessment formula, in combination with the financial and management audit of the insurance regulation sub-account, will provide information allowing insurer assessments to be evaluated and set at fair and justifiable levels. Your Committee on Conference believes that a similar increase in transparency and accountability will result from making the Captive Fund and the Captive Insurance Branch independent of the CRF.

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

Representatives Hiraki, Takamine and Marumoto.
Managers on the part of the House.

Senators Menor, Taniguchi, Espero, Tsutsui and Hogue.
Managers on the part of the Senate.
(Senator Hogue did not concur.)
(Senator Tsutsui was excused.)

Conf. Com. Rep. 172 on H.B. No. 393

The purpose of this bill is to preserve the counties' ability to collect unpaid fines while protecting commercial lenders' security interests in mortgaged property by providing, among other things, that:

- (1) Unpaid civil fines, if added by the county by ordinance to taxes, fees, or charges:
 - (A) Shall not become a part of those taxes, fees, or charges; and
 - (B) Shall become a lien on the debtor's real property and against land registered in Land Court only upon recordation of the notice of the unpaid fines in the Bureau of Conveyances;
- (2) The lien in favor of the county shall be subordinate to previously recorded or registered liens but senior to those recorded or registered thereafter;
- (3) The recorded notice of unpaid civil fines must state the amount of the fine as of the date of the notice and the maximum permissible daily increase in the fine;
- (4) The lien continues until the unpaid civil fines are paid in full or until a certificate of release or partial release, prepared by the county at the owner's expense, is recorded; and
- (5) The counties may also recover unpaid civil fines by requiring payment of the fines before issuing or renewing a license, approval, or permit for which a fee is assessed, except for water for residential use, and sewer charges.

Your Committee on Conference finds that this bill is an outgrowth of concerns raised by commercial lending institutions that a county can attach unpaid fines, plus interest, to real property taxes. A lender would have no notice of these unrecorded fines, which, as attached to the real property taxes, would have a lien priority over mortgage liens. The bill reflects a compromise between lending institutions and the City and County of Honolulu Department of Planning and Permitting, that allows both the lending institutions and the counties to protect their interests in this matter.

Your Committee on Conference has amended this bill by changing the effective date from July 1, 2010, to upon approval.

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

Representatives Hiraki, Luke, Tanaka and Stonebraker.
Managers on the part of the House.
(Representative Stonebraker was excused.)

Senators Ige, Hanabusa, Taniguchi, Kim and Slom.
Managers on the part of the Senate.
(Senators Kim and Taniguchi were excused.)

Conf. Com. Rep. 173 on H.B. No. 1017

The purpose of this bill is to encourage the wide-spread use of renewable energy resources by requiring homeowner associations to adopt rules by December 31, 2006, to provide for the placement of registered solar energy devices and to establish requirements for the installation of solar energy devices in single-family homes and townhouses.

Your Committee on Conference has amended this bill by:

- (1) Requiring a homeowner installing a solar energy device on a roof that is a common element or limited common element and subject to a labor or material roof warranty to obtain confirmation from the company that issued the warranty, that installation of the solar energy device will not void the warranty;
- (2) Making the owner and any successive owner responsible for removing any solar energy devices installed on a common element or limited common element, if removal is reasonably necessary or convenient for the repair, maintenance, or replacement of the common elements or limited common elements;
- (3) Changing the effective date to September 1, 2005; and
- (4) Making technical, nonsubstantive amendments for style, clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1017, H.D. 3, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1017, H.D. 3, S.D. 2, C.D. 1.

Representatives Morita, Hiraki, Luke, Yamashita and Thielen.
Managers on the part of the House.
(Representative Yamashita was excused.)

Senators English, Menor, Taniguchi, Espero, Hanabusa and Hemmings.
Managers on the part of the Senate.
(Senators Espero and Menor were excused.)

Conf. Com. Rep. 174 on H.B. No. 1548

The purpose of this bill is to amend the composition, selection, and term of the Board of Trustees of the Employer-Union Health Benefits Trust Fund (Board), as well as the quorum and voting requirements of the Board.

Among other things, this bill:

- (1) Increases the number of trustees from 10 to 14, with seven trustees each representing public employers and employee-beneficiaries, respectively;
- (2) Changes the entity appointing the employee-beneficiary trustees from the Governor to the six exclusive bargaining unit representatives, each of whom will select one trustee, and all of whom will select the retiree employee-beneficiary trustee by two-thirds majority vote;
- (3) Changes the trustee term from four years to serving at the pleasure of the appointing entity; and
- (4) Changes the quorum, vote, and dispute resolution requirements of the Board to account for the increase in the number of trustees.

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

- (1) Reducing the number of trustees from 14 to ten, with five trustees each representing public employee-beneficiaries and employers, respectively;
- (2) Reinstating the Governor's appointment authority for members of the Board;
- (3) Changing the appointment process by creating a selection procedure for Board members as follows:
 - (A) Each of the three exclusive employee representative organizations with the largest number of employee-beneficiaries shall be entitled to submit a list of two nominees, from which the Governor shall appoint a trustee
 - (B) The remaining exclusive employee representative organizations shall be entitled to submit a mutually agreed-upon list of two nominees, from which one trustee shall be appointed; and
 - (C) A trustee representing retirees shall be appointed from a list of two nominees submitted by mutual agreement of all of the eligible exclusive representatives;
- (4) Inserting a provision to address the issue of the ability for employee-representative organizations to establish voluntary employees' beneficiary association and the impact this may have on Board membership by prohibiting an exclusive employee representative organization from submitting nominees to be appointed to or from being represented on the Board;
- (5) Creating a method for replacing employee-beneficiary representatives and retiree representatives on the Board;
- (6) Eliminating the provisions changing the trustee term from four years to serving at the pleasure of the appointing entity;
- (7) Deleting language changing the quorum, vote, and dispute resolution requirements of the Board to account for the increase in the number of trustees; and
- (8) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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

Representatives Caldwell, Nakasone and Moses.
Managers on the part of the House.

Senators Kanno, Taniguchi, Tsutsui and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 175 on H.B. No. 1640

The purpose of this measure is to establish policies and procedures for identifying important agricultural lands (IALs) and for developing state and county incentives to promote IAL viability.

Specifically, this measure establishes:

- (1) A new part in chapter 205, Hawaii Revised Statutes (HRS), that sets forth policies and procedures for the identification of IALs, including:
 - (a) Policies and objectives to assure the conservation and availability of IALs for long-term agricultural use;
 - (b) Standards and criteria for the identification of IALs;

- (c) Procedures for the identification, designation, and retention of IALs;
 - (d) Standards and criteria for reclassification and rezoning of lands identified as IALs; and
 - (e) Policies for incentives for the long-term retention of IALs to be used for agriculture; and
- (2) A process to develop proposals for state and county incentives to promote agricultural viability, sustained growth of the agriculture industry, and the long-term use and protection of IALs for agricultural use.

Your Committee on Conference notes that incompatible uses neighboring each other cause conflicts that impair agricultural activities. Often agricultural, rural, and conservation lands serve as buffers between lands that may be deemed IALs and urban or other incompatible uses. However, your Committee on Conference believes that buffer requirements should be examined further for future legislation and should be included as standards for districting and classifying agriculture lands under section 205-2, HRS. Thus, your Committee on Conference has amended this measure by deleting the provision that requires agricultural lands not designated as IALs or any appropriate rural or conservation district lands to be used as buffers.

Your Committee on Conference has further amended this measure by:

- (1) Clarifying the farmer or landowner petition process for designating land as IALs;
- (2) Requiring that petitions for designating land as IALs include verification and authorization from the applicable landowners;
- (3) Clarifying what the Land Use Commission will consider when it is identifying and designating IALs;
- (4) Clarifying when the Land Use Commission may designate lands as IALs and adopt maps for IAL designations;
- (5) Providing that the counties will adopt ordinances for IAL standards rather than for IAL leasehold or fee simple subdivisions requirements;
- (6) Clarifying that the subdivided lots should not be used solely for residential occupancy in counties without ordinances;
- (7) Changing the expending agency from the Department of Agriculture to the Department of Business, Economic Development, and Tourism to be disbursed by the Land Use Commission;
- (8) Clarifying that the Land Use Commission rather than the Department of Agriculture will submit their annual reports to the Legislature;
- (9) Inserting an amount of \$75,000 into the appropriation for grants-in-aid to the counties for the identification and mapping of IALs;
- (10) Inserting an amount of \$75,000 into the appropriation for the development of proposals for incentives and other programs for agricultural development and agricultural land protection; and
- (11) Making technical, nonsubstantive changes for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1640, H.D. 3, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1640, H.D. 3, S.D. 2, C.D. 1.

Representatives Kanoho, Abinsay, Herkes, Takamine, Nakasone, Yamashita and Halford.
Managers on the part of the House.

Senators Kokubun, Taniguchi, English, Tsutsui and Hemmings.
Managers on the part of the Senate.
(Senator Tsutsui was excused.)

Conf. Com. Rep. 176 on S.B. No. 1352

The purpose of this measure is permit a state or county employee to take seven days of paid leave per year to serve as a bone marrow donor and thirty days of paid leave per year to serve as an organ donor.

This measure also clarifies the rights of public employees to engage in collective bargaining under chapter 89, Hawaii Revised Statutes, in light of recent court decisions, Hoopai v. Civil Service Comm'n, 106 Hawai'i 205 (2004) and United Public Workers, AFSCME, Local 646, AFL-CIO v. Hanneman, 106 Hawai'i 359 (2005), and to avoid the invalidation of provisions of collective bargaining agreements in effect on and after July 1, 2005.

Your Committee on Conference finds that the negotiations over procedures and criteria of promotions, transfers, assignments demotions, layoffs, suspension, terminations, discharges, or other disciplinary actions, and negotiations over the impact of transfers, assignments, and layoffs, are consistent with the underlying purpose of chapter 89, Hawaii Revised Statutes. Exclusive representatives and public employees have negotiated over these subject matters since 1970. Provisions in collective bargaining agreements in effect on and after July 1, 2005 should not be subject to invalidation by reason of section 89-9(d), Hawaii Revised Statutes.

Therefore, upon further consideration, your Committee on Conference has amended this measure by:

- (1) Deleting the provision regarding leaves of absences for serving as a bone marrow or organ donor for state and county employees;
- (2) Restoring the enumerated provisions (1)–(8) within section 89-9(d), Hawaii Revised Statutes;
- (3) Clarifying that no provision contained in a collective bargaining agreement in effect on July 1, 2005 is invalidated;
- (4) Providing that negotiations over the procedures and criteria on promotions, transfers, assignments, demotions, layoffs, suspensions, terminations, discharges, or other disciplinary actions of public employees shall not be precluded;
- (5) Mandating negotiations over the impact of transfers, assignments, and layoffs of public employees;
- (6) Clarifying that violations of procedures and criteria negotiated may be subject to the grievance procedure in the collective bargaining agreement; and
- (7) Changing the effective date of the Act from July 1, 2010 to effective upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1352, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1352, S.D. 1, H.D. 1, C.D. 1.

Representatives Caldwell, Takamine, Nakasone and Pine.
Managers on the part of the House.

Senators Kanno, Taniguchi, Hanabusa and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 177 on S.B. No. 1729

The purpose of this measure is to redistribute the transient accommodations tax (TAT) to facilitate the Hawaii Tourism Authority (HTA) with existing and expanded programs, repeal the TAT trust fund, place the convention center enterprise special fund and the tourism special fund outside the state treasury and allow them to be placed in interest-bearing accounts and invested, and clarify the administrative authority of the HTA.

Your Committee on Conference finds that the State's investment in tourism is critical to ensure that Hawaii maintains a successful and sustainable tourism industry. It is imperative that the HTA be given additional resources to effectively and efficiently implement its programs, which will contribute to an increased focus in areas such as safety and security, workforce development, communications, and state parks and trails.

Your Committee on Conference has amended this measure by:

- (1) Deleting the limitations on the Governor's and executive agencies' oversight authority over the HTA's hiring of personnel, and deleting reference to general fund limitations, but allowing the HTA to appoint officers, agents, and employees subject to the approval of the HTA board if there is no anticipated revenue shortfall in the tourism special fund and funds have been appropriated by the Legislature and allotted as provided by law;
- (2) Requiring excess revenues from the TAT, after distribution, be deposited into the general fund;
- (3) Deleting changes to the 17.3 per cent distribution of revenues into the convention center enterprise special fund;
- (4) Effective July 1, 2007, changing the 32.6 per cent to 34.2 per cent to be deposited into the tourism special fund; repealing the \$62,292,000 cap; restoring the deposits into the state parks special fund and special land and development fund, but taking those deposits from the first \$1,000,000 in TAT revenues deposited into the tourism special fund; requiring that of the 34.2 per cent, 0.5 per cent be transferred to a sub-account to fund safety and security programs; and deleting reference to deposits into the state parks special fund and special land and development fund taken from TAT;
- (5) Deleting reference to an aloha aina patrol;
- (6) Making the repeal of the TAT trust fund effective July 1, 2007;
- (7) Changing the effective date to July 1, 2005;
- (8) Making all ex officio members of the HTA board nonvoting; and
- (9) Making technical, nonsubstantive amendments.

The H.D. 2 of this measure would have limited the power of the Governor and the executive agencies to interfere with the personnel appointment authority of the HTA Board. This measure deletes that provision and clarifies that the HTA has independent appointment authority subject to the availability of state funds. For example, if the Legislature creates a new administrative position in statute and provides an appropriation thereto, the Administration is prohibited from interfering with the filling of that position.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1729, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1729, S.D. 2, H.D. 2, C.D. 1.

Representatives Chang, Takamine, Karamatsu and Marumoto.
Managers on the part of the House.

Senators Kim, Taniguchi, Nishihara, Tsutsui and Slom.
Managers on the part of the Senate.
(Senators Nishihara and Slom were excused.)

Conf. Com. Rep. 178 on S.B. No. 1137

The purpose of this measure is to enable a condominium association to invest association funds in certificates of deposit (CDs) through a Hawaii-based securities broker and to purchase investment products from outside of the State.

Act 164, Session Laws of Hawaii 2004 (Act 164), recodified certain sections of the condominium property regimes law, including section 514A-97, Hawaii Revised Statutes, relating to the handling and disbursement of condominium association funds. However, in recodifying the law, Act 164 prohibited condominium associations from purchasing certificates of deposit through a securities broker and authorized the purchase only of investment products offered by in-state institutions, restrictions not present in the current law.

This measure allows condominium associations greater options in investing owners' funds by repealing the prohibition against the purchase of CDs through a securities broker and the requirement that investments be made only in financial products from institutions located in the State. It is the intent of your Committee on Conference that condominium associations not be limited in the investment of owners funds to the purchase of products offered only in the State or by in-state institutions.

Your Committee on Conference has amended this measure by inserting the contents of the Senate Draft 1, which substantially reflects the existing statutory language contained in section 514A-97, Hawaii Revised Statutes, and which contains an effective date of July 1, 2005.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1137, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1137, S.D. 1, H.D. 1, C.D. 1.

Representatives Hiraki, Takamine, Wakai and Fox.
Managers on the part of the House.
(Representative Fox was excused.)

Senators Menor, Espero and Hogue.
Managers on the part of the Senate.
(Senator Espero was excused.)

Conf. Com. Rep. 179 on S.B. No. 1132

The purpose of this measure is to complete the recodification of the condominium property regimes law begun under Act 164, Session Laws of Hawaii 2004 (Act 164), by establishing provisions relating to:

- (1) The creation, alteration, and termination of condominiums;
- (2) The registration and administration of condominiums; and
- (3) The protection of condominium purchasers.

Additionally, this measure:

- (1) Amends section -149 of the new chapter established in the Hawaii Revised Statutes (HRS) by Act 164 to allow condominium associations to purchase investment products from out-of-state financial institutions and to purchase certificates of deposit through a securities broker; and
- (2) Does not repeal the current condominium property regimes law, chapter 514A, (HRS).

Your Committee on Conference has amended this measure:

- (1) To clarify that the requirement to file an annual update of a developer's public report extends to a developer's successor or assign;
- (2) To clarify that a developer and real estate broker shall keep records of all sales transactions and proceeds in accordance with the requirements of the real estate brokers and salespersons law, chapter 467, Hawaii Revised Statutes, HRS, and the related administrative rules;
- (3) By amending section -149(c) and (d), HRS, in Act 164 to reflect the language of section 514A-97(c), HRS;
- (4) By repealing chapter 514A, HRS;
- (5) By adding a standard savings clause provision;
- (6) To clarify the parameters of the savings clause provision relating to condominium developers and purchasers by providing that this measure shall not affect the parties' rights and obligations under a sales contract for a

- condominium unit in a project registered under chapter 514A, HRS, prior to the effective date of the new condominium law;
- (7) By deleting the appropriation from the condominium education trust fund;
 - (8) By establishing an effective date of July 1, 2005, except for:
 - (a) The provision that amends the effective dates of Act 164, Session Laws of Hawaii 2004, which shall take effect on June 30, 2005; and
 - (b) The savings and elections provisions, the provision repealing chapter 514A, HRS, and the provision that mandates the application of the existing administrative fees rule, pending the adoption of rules under the new condominium law, all of which shall take effect on July 1, 2006; and
 - (9) By making technical amendments to correct statutory and other internal references and for the purposes of clarity, consistency, and style.

Finally, with respect to the amendment to section -149, HRS, as set forth in Act 164, it is the intent of this measure to allow condominium associations greater options and flexibility in investing their members' funds, and to not limit these investments to the purchase of products offered only in the State or only by in-state institutions.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1132, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1132, S.D. 2, H.D. 1, C.D. 1.

Representatives Hiraki, Takamine, Wakai and Fox.
Managers on the part of the House.
(Representative Fox was excused.)

Senators Menor, Taniguchi, Baker, Espero and Hogue.
Managers on the part of the Senate.

Conf. Com. Rep. 180 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 (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 no more than two consecutive five-year terms;
- (6) Establishing that at least three months prior to the conclusion of the 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.

Your Committee on Conference has amended this bill by changing the Council as follows:

- (1) Requiring the Council to recommend candidates for each seat on the BOR within 120 days prior to the expiration of a term;
- (2) Requiring the Council, in recommending candidates for the BOR, to require a candidate to disclose any existing or anticipated contracts with UH or any existing or anticipated financial transactions with UH;
- (3) Changing the membership of the Council to seven members, who will be appointed without regard to section 26-34, Hawaii Revised Statutes (HRS), as follows:
 - (a) Removing the members appointed by UH's Native Hawaiian Council, Pu Ko'a; the UH Professional Assembly; Hawaii Government Employees Association; Hawaii State Bar Association; and UH Foundation; and
 - (b) Adding a member to be appointed by the Association of Emeritus Regents;
- (4) Requiring the Council to be selected and to operate in a wholly nonpartisan manner;
- (5) Requiring appointees to the Council to be individuals who are widely viewed as having placed the broad public interest ahead of special interests and have achieved a high level of prominence in their profession and are respected by the community;

- (6) Providing for staggered terms on the Council by requiring that the three members initially appointed to the Council by the Governor, President of the Senate, and Speaker of the House of Representatives, serve for terms of two years;
- (7) In the case of a vacancy on the Council:
 - (a) Requiring a successor to be appointed in the same manner and subject to the same qualifications as the person's predecessor; and
 - (b) Requiring the successor to serve for the remainder of the term of the person's predecessor;
- (8) Prohibiting individuals from running for or holding any other elected office under the United States, the State, or its political subdivisions, while a member of the Council;
- (9) Specifying that a majority of the Council constitutes a quorum to do business, and the concurrence of a majority of all the members to which the Council is entitled is necessary to make any action of the Council valid;
- (10) Requiring the Council to meet annually and at other times as necessary and exempting its meetings from the Sunshine Law, chapter 92, HRS; and
- (11) Specifying that Council members are to serve without compensation but will be reimbursed for expenses necessary for the performance of their duties.

Your Committee on Conference has also amended this bill by changing the BOR as follows:

- (1) Increasing its membership from 12 to 15 members;
- (2) Providing for staggered terms on the BOR by requiring the Governor to reduce the terms of those initially appointed to each seat on the BOR so as to provide, as far as practicable, for the expiration of three terms each year, excluding the student member;
- (3) Providing that at least ten members, except for the student member, shall represent specific geographic areas;
- (4) Clarifying that the term of each BOR member shall be for five years except as provided for the initial appointment in section 26-11, HRS;
- (5) Allowing a BOR member to serve beyond the expiration date of the member's term until the member's successor has been appointed and confirmed by the Senate, rather than until the successor has been appointed, has qualified, and has been confirmed by the Senate; and
- (6) Clarifying that BOR members shall serve no more than two consecutive five-year terms, and if a member is to be appointed to a second term, the Senate must consider the question of whether or not to reconfirm the member at least 120 days prior to the conclusion of the member's first term.

Finally, your Committee on Conference has amended this bill by:

- (1) Changing the effective date to July 1, 2007; provided that section 1 shall take effect upon the ratification of the constitutional amendment providing for the creation of the Council; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

The intent of your Committee on Conference is to improve the BOR member selection process by ensuring, as much as practicable, that the candidates for the BOR are well-qualified individuals who will place the health and vitality of UH and its students, faculty, and administration above personal gain and to remove as much political influence or pressure as possible from the process.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1257, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1257, S.D. 2, H.D. 2, C.D. 1.

Representatives Waters, B. Oshiro, Nishimoto, Shimabukuro and Pine.
Managers on the part of the House.
(Representative Pine did not concur.)

Senators Hee, Hanabusa, Baker, Hooser, Sakamoto and Whalen.
Managers on the part of the Senate.
(Senators Sakamoto and Whalen were excused.)

Conf. Com. Rep. 181 on S.B. No. 179

The purpose of this measure 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 fifty per cent of the available units are for households with incomes at or below eighty per cent of the median family income; and
- (b) At least twenty per cent are for households with incomes at or below sixty per cent of the median family income;
- (3) Providing that through June 29, 2010, the Rental Housing Trust Fund (Trust Fund) loans and grants to developers may be provided when fifty per cent or more of the available units are for persons with incomes at or below eighty per cent, instead of sixty per cent, of the median family income and establishing an order of priority in which the loans and grants may be provided;
- (4) Authorizing mixed finance development of public housing units;
- (5) Requiring that the Housing and Community Development Corporation of Hawaii's (Corporation) yearly report describe its efforts to develop rental housing projects for families with incomes less than thirty per cent of the median income, describe the proposals submitted and action taken on them, and the barriers to the development of units for this target group;
- (6) Establishing a sliding scale for the payment of conveyance taxes;
- (7) Exempting, from the conveyance tax, conveyances by nonprofit and for profit organizations certified for low-income housing development;
- (8) Increasing the amount of conveyance taxes transferred into the Trust Fund from twenty-five to fifty per cent;
- (9) Making it a priority for the Corporation to fund rental housing projects that provide:
 - (a) At least five per cent of the total number of units for persons and families with incomes at or below thirty per cent of the median family income; and
 - (b) A maximum number of units for persons or families with incomes at or below eighty per cent of the median family income;
- (10) Increasing the low-income housing tax credit to fifty per cent of the applicable percentage of the qualified basis of each building located in Hawaii;
- (11) Appropriating general revenue funds into the Trust Fund;
- (12) Declaring a moratorium on demolition of decommissioned public housing until it can be determined whether or not to rehabilitate them;
- (13) Offering decommissioned public housing that will not be rehabilitated by the Corporation to nonprofit and for profit entities or government agencies for rehabilitation into emergency transitional shelter facilities or rental units;
- (14) Requiring the organizations and agencies that rehabilitate decommissioned units to set aside at least fifty per cent of the units to persons or families with incomes at or below fifty per cent of the area median family income;
- (15) Appropriating general revenue funds for the expansion of emergency and transitional shelter facilities serving the homeless upon meeting certain conditions;
- (16) Refocusing the Corporation's housing developments on lower cost housing projects serving only persons with incomes one hundred forty per cent or less of the area median income;
- (17) 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;
- (18) Splitting the Corporation into two entities:
 - (a) The Hawaii Public Housing Administration (Housing Administration) to perform the function of developing and maintaining public housing; and
 - (b) The Hawaii Housing Finance and Development Administration (Development Administration) to perform the function of housing financing and development;
- (19) Repealing the Trust Fund Advisory Commission;
- (20) Establishing a Legislative Affordable Rental Housing and Homeless Task Force; and
- (21) Establishing procedures that allow Corporation 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 the Corporation;

Understanding the importance this measure has on facilitating the proliferation of much-needed affordable housing in the State, your Committee on Conference diligently deliberated on crafting a workable solution to ameliorate the State's affordable housing crisis. Basing its solutions on the recommendations made by the Affordable Housing Task Force established pursuant to S.C.R. No. 135, S.D. 1, of the 2004 Regular Session, your Committee on Conference also endeavored to find additional solutions to the affordable housing problem.

Your Committee on Conference expressed its support for military personnel, National Guard members, and reservists in their need for affordable housing by considering the establishment of an exemption for military housing allowances in determining eligibility for affordable rental housing. However, because the Corporation already excludes military housing allowances, it was not necessary to include the provision in this measure.

While this measure takes extraordinary steps to ease the burden of Hawaii's affordable housing and homeless crisis, your Committee on Conference recognizes that other measures passed by this Legislature will significantly contribute to helping people face Hawaii's housing shortage:

- H.B. No. 1308 reallocates the distribution of the collected conveyance taxes by increasing the percentage allotted to the Rental Housing Trust Fund from twenty-five to thirty per cent; and
- H.B. No. 100, the General Appropriations Act of 2005-2007, appropriates \$1,650,000 in each year of the 2005-2007 fiscal biennium for the expansion and operation of emergency and transition shelter facilities serving the homeless.

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

- (1) Deleting provisions relating to amending the conveyance tax rates and allocations;
- (2) Expediting the splitting of the Corporation into two entities by moving the effective date of the metamorphosis from July 1, 2007, to July 1, 2006;
- (3) Requiring the Corporation to establish an implementation plan, report, and proposed legislation on the reorganization;
- (4) Deleting the requirement that at least three members of the Corporation's board of directors be community advocates for low-income housing and that no more than four members on the board be from the same political party;
- (5) Adding a provision that requires that a representative from the counties' continuum of care systems sit on the Corporation's board of directors until July 1, 2006;
- (6) Reducing the membership of the Joint Legislative Housing and Homeless Task Force from eighteen to eight and expanding its scope;
- (7) Clarifying the procedures that allow Corporation 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 the Corporation;
- (8) Making numerous clarifying amendments; and
- (9) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 179, S.D. 3, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 179, S.D. 3, H.D. 2, C.D. 1.

Representatives Kahikina, Nakasone, Nishimoto and Meyer.
Managers on the part of the House.

Senators Menor, Ige, Taniguchi, Espero, Hooser, Tsutsui and Hogue.
Managers on the part of the Senate.
(Senator Tsutsui was excused.)

Conf. Com. Rep. 182 on H.B. No. 384

The purpose of this bill is to help ensure that indigent criminal defendants are represented by competent counsel by increasing the hourly rates and maximum fees for court-appointed attorneys. Specifically, this bill:

- (1) Raises the hourly rate of compensation for appointed counsel to \$90 for all services;
- (2) Doubles the maximum allowable amounts in the current fee schedule for appointed counsel; and
- (3) Clarifies the types of family court cases that are included in the maximum fee schedule.

Your Committee on Conference finds that the current statutory rates of compensation for court-appointed counsel were last amended in 1987, and that fee increases will assist the courts in attracting competent counsel to represent indigent defendants.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 384, H.D. 2, S.D. 2, C.D. 1, and recommends that it pass Final Reading.

Representatives Luke, Nishimoto and Thielen.
Managers on the part of the House.

Senators Hanabusa, Taniguchi, Hee and Whalen.
Managers on the part of the Senate.

(Senator Whalen was excused.)

Conf. Com. Rep. 183 on H.B. No. 1378

The purpose of this bill is to improve the laws governing the issuance of temporary restraining orders (TROs) and protective orders in family court proceedings.

Among other things, this measure:

- (1) Mandates the disclosure of a pending divorce, separation, annulment, maintenance, or any other family court proceeding on a petition for a TRO or protective order;
- (2) Provides that prior to granting a TRO, if the family court judge deems it appropriate, the judge may meet in camera with the petitioner to determine the merit of the petitioner's allegations;
- (3) Permits a court to allow supervised visitation of children shared by the petitioner and respondent even after a TRO petition has been granted, provided that the children are not named in the TRO petition and visitation is in the children's best interests; and
- (4) Mandates that the rendering court forward all subsequent decrees relating to the divorce or child custody proceeding to the court having jurisdiction over the petition for a protective order.

Your Committee on Conference has amended this bill by:

- (1) Deleting the terms "domestic" and "physical" that limit the types of abuse that could justify the issuance of a TRO;
- (2) Deleting the provision that stipulated that prior to granting a TRO, if the family court judge deems it appropriate, the judge may meet in camera with the petitioner to determine the merit of the petitioner's allegations;
- (3) Eliminating the requirement to disclose any impending divorce, separation, annulment, separate maintenance, or any other proceeding involving the custody of a minor child pending between the parties, as well as any prior restraining order issued;
- (4) Removing the provision that allowed supervised visits between a petitioner and respondent who have a child or children who are not named in a TRO;
- (5) Removing the provision that mandated that the rendering court forward all subsequent decrees relating to the divorce or child custody proceeding to the court having jurisdiction over the petition for a TRO;
- (6) Inserting permissive language to allow courts discretion in applying TROs to other proceedings;
- (7) Changing the effective date to upon approval; and
- (8) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1378, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1378, H.D. 1, S.D. 2, C.D. 1.

Representatives B. Oshiro, Nishimoto and Pine.
Managers on the part of the House.

Senators Hanabusa, Taniguchi, Chun Oakland and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 184 on H.B. No. 1733

The purpose of this bill is to enhance law enforcement tools by establishing a statewide deoxyribonucleic acid (DNA) database and data bank identification program for all convicted felons. Among other things, this bill:

- (1) Delineates procedures and duties for the collection, analysis, and storage of DNA samples;
- (2) Specifies the types of offenders subject to the collection of DNA samples;
- (3) Provides for the destruction of DNA samples and expungement of the searchable database profile of a person whose underlying conviction has been reversed;
- (4) Provides confidentiality for DNA information and penalties for violations thereof;
- (5) Authorizes post-conviction DNA testing and provides court procedures in accordance with test results;
- (6) Extends the statute of limitations for felony cases in which DNA evidence from an unknown offender is recovered and tested prior to expiration of the usual limitation period for the felony;

- (7) Establishes an additional penalty of \$1 for every \$10 of any fine or penalty collected by the courts for all criminal and traffic offenses, excluding parking offenses, to help fund the DNA program; and
- (8) Appropriates unspecified funds for fiscal year 2005-2006 to carry out the new DNA testing provisions, including reimbursements to the county police departments and the Department of Public Safety (DPS) for costs incurred in implementing the new provisions.

Your Committee on Conference has amended this measure by reverting to the H.D. 2 draft of this bill, which, among other things:

- (1) Requires DNA testing of all felons;
- (2) Provides procedures and duties for the collection and testing of DNA samples;
- (3) Establishes a procedure for deletion of DNA profiles for a person whose underlying conviction has been reversed;
- (4) Extends the statute of limitations for felony cases where DNA evidence has been recovered;
- (5) Requires retention of evidence that can be used for DNA analysis;
- (6) Establishes procedures for post-conviction requests for analysis of DNA evidence;
- (7) Requires notice to victims of proceedings and outcomes for post-conviction DNA testing;
- (8) Requires notice to probation and parole authorities of outcomes adverse to the defendant after post-conviction DNA testing; and
- (9) Appropriates funds for fiscal year 2005-2006 to implement the new DNA program.

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

- (1) Adding definitions for the terms "autoradiograph," "buccal swab," "DNA or forensic identification markers," and "profile";
- (2) Deleting the provisions:
 - (A) Governing the requirements for implementation of the new DNA program, including provisions requiring the county police departments and DPS to adopt rules in accordance with chapter 91, Hawaii Revised Statutes;
 - (B) Requiring the DNA program's methodology and procedures to be made public;
 - (C) Imposing an additional penalty of \$1 for every \$10 of every fine or penalty collected by the courts for all criminal and traffic offenses, excluding parking offenses, to help fund the DNA program; and
 - (D) Appropriating funds to implement the new DNA program; andand
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1733, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1733, H.D. 2, S.D. 2, C.D. 1.

Representatives Luke, Lee and Marumoto.
Managers on the part of the House.

Senators Hanabusa, Taniguchi, Chun Oakland, Hee and Whalen.
Managers on the part of the Senate.
(Senators Hee and Whalen were excused.)

Conf. Com. Rep. 185 on H.B. No. 1747

The purpose of this bill is to amend the campaign spending laws by, among other things:

- (1) Limiting campaign contributions from banks, corporations, and nonresident individuals and persons;
- (2) Establishing a public funding program for the Office of the Prosecuting Attorney;
- (3) Clarifying the disposition of campaign contributions; and
- (4) Applying electronic filing requirements to the State Senate, State House of Representatives, and the Office of Hawaiian Affairs.

Your Committee on Conference notes in particular the provisions of this measure establishing new limits on out-of-state contributions. Over the years, Hawaii has been influenced by out-of-state interests. Residents and outside interests have long fought over the development of our land, expansion of our economy, and other social policies. Unrestrained out-of-state contributions to candidates for elective office could continue to influence decisions that adversely affect the people of Hawaii. Restrictions on nonresident contributions will ensure that elected officials are not disproportionately influenced by outside interests.

Your Committee on Conference has amended this measure by, among other things:

- (1) Prohibiting campaign fundraising on certain state or county property;
- (2) Amending the new provision limiting contributions from nonresidents as follows:
 - (A) Clarifying that the contribution limit applies to persons who are nonresidents when contributions are made;
 - (B) Applying the contribution limit to noncandidate committees organized under the laws of another state and whose participants are nonresidents; and
 - (C) Amending the contribution limit, from 30 percent of the total contributions received by a candidate or candidate's committee in an election period, to 20 percent of the total contributions for each reporting period;
- (3) Removing the new limitation on contributions or expenditures by banks or corporations;
- (4) Deleting the provisions and accompanying amendments relating to public funding for elections to the Office of the Prosecuting Attorney;
- (5) Amending the new definitions of "clearly identified", "residual funds", and "separate segregated fund", and restoring the definition of "advertisement", in the campaign spending law;
- (6) Amending the requirements for filing organizational reports;
- (7) Removing the provision that a noncandidate committee's contribution limits to a candidate or candidate's committee shall be the same as for any other person or entity;
- (8) Clarifying that the prohibition on contributions by state and county contractors applies to the specific contracting entity and not to individuals associated with the contractor, such as the individual owners of a contracting entity;
- (9) Including labor organizations among the entities that may establish, administer, or solicit contributions to a separate segregated fund;
- (10) Deleting the provision that any loan, other than a loan from the candidate or immediate family members, that is not repaid within a calendar year must be deemed a contribution;
- (11) Providing that surplus funds may be used after a general or special election for contributions to any community service, educational, youth, recreational, charitable, scientific, or literary organization; provided that no contributions from campaign funds shall be made from the date the candidate files nomination papers to the date of the general election;
- (12) Amending the matching funds paid to publicly funded candidates, to \$1 for each \$1 of qualifying contributions in excess of the minimum amount of qualifying contributions; and
- (13) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1747, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1747, H.D. 1, S.D. 1, C.D. 1.

Representatives B. Oshiro, Kawakami, Karamatsu and Thielen.
Managers on the part of the House.

Senators Hanabusa, Taniguchi, English, Hee and Trimble.
Managers on the part of the Senate.
(Senator Trimble was excused.)

Conf. Com. Rep. 186 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. Among other things, this measure:

- (1) Requires counties that choose to establish a county surcharge to do so by ordinance adopted after a duly noticed public hearing;
- (2) Requires that, to initiate the surcharge, a county must adopt an enabling ordinance by December 31, 2005;

- (3) Requires that, prior to the state Director of Taxation assessing, levying, and collecting any surcharge adopted by a county, the authorizing county must first notify the Governor, who in turn must direct the state Director of Taxation to begin assessing, levying, and collecting the surcharge;
- (4) Establishes that, in addition to the ordinance adoption and other requirements, no surcharge adopted by a county with a population of greater than five hundred thousand shall become effective unless federal moneys have been committed to the mass transit project to be funded by the surcharge;
- (5) Restricts the use of surcharge proceeds in counties with a population greater than five hundred thousand to only fixed rail rapid transit system projects and expenses associated with Americans with Disabilities Act of 1990 compliance;
- (6) Establishes a county surcharge on state tax credit to offset the tax burden incurred by taxpayers who reside in a county that adopts a surcharge;
- (7) Requires that the county surcharge on state tax credits be paid with a portion of the revenues generated by the surcharge;
- (8) Prohibits the counties from setting the county surcharge at a rate greater than one-half per cent of:
 - (A) The value of property taxable under the use tax;
 - (B) All gross proceeds and gross income taxable under the general excise tax;
- (9) Establishes that no surcharge shall take effect prior to January 1, 2007;
- (10) Requires the proceeds of the surcharge to be paid over to the counties on an annual basis; and
- (11) Allows rental car dealers to pass on the surcharge to lessees.

Your Committee on Conference finds that population growth and increased development have resulted in a substantial increase in the number of vehicles using our roadways which will result in greater traffic congestion over the next decade. With increased traffic congestion comes an expected increase in lost revenues, lost productivity, and lost time spent with families which is currently being experienced.

Although Oahu currently experiences the greatest traffic problems, traffic congestion is no longer a single county issue and is quickly becoming an issue of statewide concern. Hawaii County, Maui County, and Kauai County are all experiencing traffic congestion, the likes of which have never before been seen on these islands. These counties also need to have the ability to address their traffic needs and concerns, which this measure seeks to address.

However, your Committee on Conference is also cognizant of the financial impact the imposition of a county surcharge will have on resident taxpayers. Nevertheless, your Committee on Conference feels that providing the counties with necessary authority to finance their mass transit needs while respecting each county's diverse transportation requirements is a prudent approach to resolving Hawaii's traffic problems.

Your Committee on Conference also notes that the most visited and practical approach to resolving Oahu's current traffic problems is to establish a fixed rail line. It is the intent of your Committee on Conference that the funds realized by a county surcharge on state tax initiated by the City and County of Honolulu be used first for the establishment of a fixed rail mass transit system.

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

- (1) Deleting the requirement that, prior to the state Director of Taxation assessing, levying, and collecting any surcharge adopted by a county, the authorizing county must first notify the Governor, who in turn must direct the state Director of Taxation to begin assessing, levying, and collecting the surcharge;
- (2) Requiring that the authorizing county notify the state Director of Taxation within ten days after adopting a surcharge on state tax ordinance;
- (3) Deleting the provision establishing a county surcharge on state tax credit to offset the tax burden incurred by taxpayers who reside in a county that adopts a surcharge;
- (4) Deleting requirements that the county surcharge on state tax credits be paid with a portion of the revenues generated by the surcharge;
- (5) Clarifying that the use of surcharge proceeds in counties with a population greater than 500,000 shall be restricted to a locally preferred alternative for a mass transit project and expenses associated with Americans with Disabilities Act of 1990 compliance;
- (6) Clarifying that the surcharge on state use tax is applicable to property and services to conform language to the current use tax law;
- (7) Inserting a provision allowing for the deduction of ten percent of the gross proceeds of a respective county's surcharge on state tax to reimburse the State for costs of assessment, collection, and disposition of the county surcharge on state tax incurred by the State;
- (8) Requiring that the proceeds of the surcharge be paid over to the counties on a quarterly rather than an annual basis;
- (9) Changing the effective date to upon its approval;

- (10) Inserting language stipulating that:
- (A) If none of the counties of the State adopt an ordinance to levy a county surcharge on state tax by December 31, 2005, this Act shall be repealed;
 - (B) If any county does not adopt an ordinance to levy a county surcharge on state tax by December 31, 2005, it shall be prohibited from adopting such an ordinance pursuant to this Act, unless otherwise authorized by the Legislature through a separate legislative act;
 - (C) If an ordinance to levy a county surcharge on state tax is adopted by December 31, 2005:
 - (i) The ordinance shall be repealed on December 31, 2022;
 - (ii) This Act shall be repealed on December 31, 2022; and
 - (iii) Section 437D-8.4, Hawaii Revised Statutes, shall be reenacted in the form in which it read on the day prior to the effective date of this Act.

and

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

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

Representatives Souki, Takamine, Karamatsu, Lee, Yamane and Fox.
Managers on the part of the House.
(Representative Fox was excused.)

Senators Taniguchi, Ige, Inouye and Espero.
Managers on the part of the Senate.
(Senator Ige was excused.)