

**SCRep. 1-06 Finance on H.B. No. 1949**

The purpose of this bill is to appropriate funds for the Office of the Auditor, Legislative Reference Bureau, Office of the Ombudsman, State Ethics Commission, Legislative Information System, Legislative Broadcast System, and current session and non-session expenses of the Legislature.

The Legislative Reference Bureau, Office of the Ombudsman, Office of the Auditor, and State Ethics Commission testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1949 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2-06 Education on H.B. No. 1860**

The purpose of this bill is to:

- (1) Enhance accessibility to information about Hawaii's public schools; and
- (2) Meet the demands of a data-driven education system.

by appropriating funds to support the Department of Education's (DOE) website operations.

The DOE, Board of Education, and Hawaii Business Roundtable testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1860 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Cabanilla, Harbin, Kahikina and Waters.

**SCRep. 3-06 Education/Labor & Public Employment on H.B. No. 1863**

The purpose of this bill is to implement the recommendations of the Interagency Working Group regarding the transfer of functions specified by Act 51, Session of Laws of Hawaii 2004, the Reinventing Education Act of 2004, by:

- (1) Repealing the transfer of certain functions from the Department of Budget and Finance, Department of the Attorney General, and Department of Human Services to the Department of Education (DOE); and
- (2) Delaying the transfer of school health aides and public health nurses from the Department of Health to the DOE.

The Department of the Attorney General, DOE, Department of Human Services, Department of Human Resources Development, Department of Health, Department of Budget and Finance, and the Interagency Working Group testified in support of this measure. The Hawaii Government Employees Association testified in support of the intent of this measure.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1863 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Cabanilla, Chong, Harbin, Kahikina, M. Oshiro, Souki, Waters and Meyer.

**SCRep. 4-06 Education/Labor & Public Employment on H.B. No. 1865**

The purpose of this bill is to strengthen the operations of the Department of Education (DOE) by creating the following positions:

- (1) A deputy superintendent of education to perform the duties of a chief operating officer;
- (2) An assistant superintendent to perform the functions of a chief financial officer;
- (3) An executive for external affairs; and
- (4) Secretaries to assist them.

The DOE, Chamber of Commerce of Hawaii, and Hawaii Business Roundtable testified in support of this measure.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1865 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Cabanilla, Chong, Harbin, Kahikina, M. Oshiro, Souki, Waters and Meyer.

**SCRep. 5-06 Energy & Environmental Protection on H.B. No. 1840**

The purpose of this bill is to secure continued protection of the state's endangered wildlife by removing the "sunset" date on the use of new habitat conservation plans, safe harbor agreements, and incidental take licenses.

Testimony in support of the measure was received from the Department of Land and Natural Resources, Department of Transportation, University of Hawaii Environmental Center, and Hawaii Agricultural Research Center.

Your Committee finds that safe harbor agreements, habitat conservation plans, and incidental take licenses must be continued to ensure that endangered species are protected on private land.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1840 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Carroll, Harbin and Schatz.  
(Representative Thielen voted no.)

**SCRep. 6-06 Education on H.B. No. 1864**

The purpose of this bill is to clarify that the account established for the school-level minor repairs and maintenance program is no longer funded by general funds but special funds only.

The Department of Education testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1864 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Cabanilla, Harbin, Kahikina and Waters.

**SCRep. 7-06 Education/Higher Education on H.B. No. 1866**

The purpose of this bill is to improve efficiency in the financial administration of the Department of Education (DOE) and University of Hawaii (UH) System by granting them permanent authority over matters related to the purchase of goods and services, pre-audit payments, and accounting. Specifically, this bill repeals the sunset date of Act 321, Session Laws of Hawaii (SLH) 1986, which was extended by subsequent Acts to June 30, 2006.

The DOE, UH System, Hawaii Business Roundtable, and Chamber of Commerce of Hawaii testified in support of this measure.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1866 and recommend that it pass Second Reading and be referred to the Committee on Economic Development & Business Concerns.

Signed by all members of the Committee except Representatives Arakaki, Cabanilla, Harbin, Kahikina and Waters.

**SCRep. 8-06 Public Safety & Military Affairs on H.B. No. 1879**

The purpose of this bill is to better serve the state's veterans by appropriating funds for the Office of Veterans Services (OVS) of the state Department of Defense to publish the Hawaii Veterans' Newsletter (Newsletter).

OVS and a concerned individual testified in support of this bill.

Your Committee finds that OVS possesses only enough funding to publish the Newsletter until June 2006. Without the Newsletter, veterans from all branches of the military would lack important information regarding outreach services available to them, including medical and compensation benefits. Without additional funding, OVS will be unable to continue to provide this important informational resource for our veterans.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1879 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Shimabukuro, Moses and Stonebraker.

**SCRep. 9-06 Public Safety & Military Affairs/Health on H.B. No. 2125**

The purpose of this bill is to assess and treat individuals for substance abuse as part of being sentenced to a term of imprisonment. Specifically, this bill:

- (1) Requires that the assessment be conducted by a person certified by the Department of Health (DOH); and
- (2) Requires the Attorney General to report to the 2008, 2009, and 2010 legislatures regarding the relationship between the recidivism rate and substance abuse treatment.

The Coalition for a Drug-Free Hawaii supported this bill. The Department of Public Safety and DOH supported the intent of the measure. The Department of the Attorney General and Office of the Public Defender supported the bill with amendments.

As affirmed by the records of votes of the members of your Committees on Public Safety & Military Affairs and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2125 and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Cabanilla, Nishimoto, Sonson, Souki, Moses and Stonebraker.

**SCRep. 10-06 Education on H.B. No. 1861**

The purpose of this bill is to remove redundancy in Department of Education (DOE) operations by repealing the requirement that the Superintendent of Education provide to the Board of Education an annual report of principal transactions within DOE.

The Department of Education testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1861 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Arakaki, Cabanilla, Harbin, Kahikina and Waters.

**SCRep. 11-06 Human Services/International Affairs on H.B. No. 2050**

The purpose of this bill is to protect individuals using the services of an international matchmaking organization (IMO) by requiring domestic abuse orders of protection issued against the person to be disclosed upon the request of marital history information.

Na Loio Immigrant Rights and Public Interest Legal Center, Domestic Violence Clearinghouse and Legal Hotline, and Hawaii State Coalition Against Domestic Violence testified in support of this measure.

Your Committees find that there have been instances of abuse in Hawaii involving individuals who have used the services of an IMO and that further protections are needed.

Your Committees have amended this bill by:

- (1) Mandating IMOs to require a client to submit or authorize access to criminal history and marital history information upon the client requesting the services of the IMO;
- (2) Requiring IMOs submit annual reports on business activities to the Department of Commerce and Consumer Affairs;
- (3) Placing Hawaii residents using the services of an IMO under the jurisdiction of Hawaii's laws; and
- (4) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Human Services and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2050, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2050, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Stonebraker.

**SCRep. 12-06 Education/Labor & Public Employment on H.B. No. 1859**

The purpose of this bill is to enhance the ability of the Department of Education (DOE) to recruit highly-qualified teachers and other employees to fill positions in shortage areas throughout the state and to meet federally-mandated requirements.

Specifically, this bill waives the requirement that applicants for positions in the DOE must be state residents at the time of application.

The DOE and Hawaii Government Employees Association testified in support of the intent of this measure. The Governor's Office offered comments.

Your Committees have amended this bill by:

- (1) Clarifying that although applicants for positions in the DOE need not be state residents at the time of application, they must establish residency as a condition of continued employment; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1859, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1859, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Arakaki, Cabanilla, Chong, Harbin, Kahikina, M. Oshiro, Souki, Waters and Meyer.

**SCRep. 13-06 Energy & Environmental Protection on H.B. No. 1647**

The purpose of this bill is to:

- (1) Adopt a state policy in favor of undergrounding utilities; and
- (2) Establish the underground conversion fund and board to ensure the development of a comprehensive statewide plan for the long-term incremental undergrounding of utility lines.

A member of Na Leo Pohai testified in support of this bill. The Public Utilities Commission, Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, Hawaiian Electric Company, Inc., Hawaiian Telcom, and the Rocky Mountain Institute supported the intent of this bill. The Department of Transportation and the Department of Budget and Finance opposed this bill. In addition, the Department of Taxation, the Land Use Research Foundation of Hawaii, and the University of Hawaii Environmental Center submitted comments regarding this bill.

Your Committee has amended this bill by:

- (1) Amending the purpose clause to:
  - (A) Emphasize that the undergrounding of utilities will harden our electric and telecommunications infrastructure to potential acts of terrorism and natural disasters; and
  - (B) Establish and affirm a policy that the conversion of overhead utility facilities to underground is substantially beneficial to the public safety and welfare, is in the public interest, and is a public purpose;
- (2) Place the underground conversion board (Board) for administrative purposes within the Department of Commerce and Consumer Affairs;
- (3) Designate the Consumer Advocate, rather than the chairperson of the Public Utilities Commission, as a member of Board;
- (4) Authorize the Board to:
  - (A) Establish a policy to maximize the use of federal highway funds for undergrounding; and
  - (B) Maximize coordination and the establishment of funding sources with federal, state, and county agencies to harden the energy and telecommunications infrastructure to withstand acts of terrorism and disasters;
- (5) Deleting provisions regarding the establishment of an advisory committee;
- (6) Requiring the board to:
  - (A) Assume the responsibilities previously given to the advisory committee;
  - (B) Present a process to the Public Utilities Commission for final approval to determine priorities for specific incremental undergrounding projects or grants; and
  - (C) Issue an interim and final report to the Legislature and the Governor no less than twenty days prior to the convening of the Regular Sessions of 2007 and 2008, respectively;
- (7) Clarifying that the state Department of Taxation may use the check-the-box concept on the state tax form for voluntary contributions to the underground conversion fund;
- (8) Establishing a round-off program, under which utilities may collect voluntary contributions for the underground conversion fund from ratepayers who contribute the difference between their actual utility bill and their payment, which is rounded up to the nearest dollar;
- (9) Deleting provisions amending section 264-33.5, relating to exceptions to the underground installation of utility facilities along federal-aid highways;
- (10) Inserting letters in place of blank section numbers to facilitate accurate cross-referencing, and adding a new section 6 to the bill to direct the revisor of statutes to substitute appropriate section numbers in place of the letters; and
- (11) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1647, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1647, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Carroll, Harbin and Schatz.

**SCRep. 14-06      Education on H.B. No. 1891**

The purpose of this bill is to increase the availability of funds for repair and maintenance projects at Hawaii's public schools by increasing the funds deposited into the State Educational Facilities Improvement Special Fund.

The Department of Education testified in support of this measure. The Department of Budget and Finance opposed this measure. The Department of Taxation (DOTAX) and Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill to properly reflect the name of DOTAX's benefits-funded contract, the integrated tax information management systems performance-based contract.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1891, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1891, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Cabanilla, Hale and Harbin.

**SCRep. 15-06 Water, Land, & Ocean Resources on H.B. No. 2147**

The purpose of this bill is to extend the expiration date of the income tax credit for drought mitigating water storage facilities.

The Hawaii Crop Improvement Association, Maui Land and Pineapple Company, Inc., Hawaii Agriculture Research Center, Hawaii Farm Bureau Federation, and Maui County Farm Bureau testified in support of this bill. The Department of Land and Natural Resources and Department of Agriculture supported the intent of this measure. The Department of Taxation and Tax Foundation of Hawaii offered comments.

Although your Committee momentarily pondered the complete repeal of the sunset provision for income tax credits for drought mitigating water storage devices, this action was deferred for subsequent consideration as the measure goes through the legislative process.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2147 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Meyer.

**SCRep. 16-06 Water, Land, & Ocean Resources on H.B. No. 1982**

The purpose of this bill is to permanently establish the humuhumunukunua'ia (rhinecanthus rectangulus) as the official fish of the state.

Several concerned individuals testified in support of this measure. The Department of Land and Natural Resources opposed this measure. A concerned individual offered comments.

Your Committee has amended this bill by changing its effective date to July 1, 2008, to allow other fish to be considered for designation as the state fish.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1982, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1982, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Berg, Morita and Meyer.

**SCRep. 17-06 Public Safety & Military Affairs/Transportation on H.B. No. 1809**

The purpose of this bill is to assist our citizen-soldiers by allowing members of any reserve component of the United States (U.S.) armed forces on active federal service outside Hawaii to renew their driver's licenses within 90 days after discharge or release from such service.

The state Department of Defense and The Chamber of Commerce of Hawaii supported this bill. The Division of Motor Vehicle, Licensing, and Permits Administration of the City and County of Honolulu supported the measure with amendments.

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

- (1) Expanding its provisions to apply to all members of the U.S. armed forces on active federal service outside Hawaii;
- (2) Modifying the 90-day extension period to be based upon the date of the service member's return to Hawaii or discharge from hospitalization; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Public Safety & Military Affairs and Transportation that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1809, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1809, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Caldwell, Shimabukuro, Moses, Stevens and Stonebraker.

**SCRep. 18-06 Education/Higher Education on H.B. No. 2182**

The purpose of this bill is to provide Hawaii's students with the best environment for learning by ensuring the availability of funds for and effective management of school facilities.

Specifically, this bill:

- (1) Appropriates funds for Department of Education (DOE) and University of Hawaii (UH) operations and facility repair and maintenance;

- (2) Authorizes the issuance of general obligation bonds for DOE capital improvement projects and the repair and maintenance of UH facilities;
- (3) Authorizes DOE to use certificates of participation to finance the construction of new schools; and
- (4) Establishes and appropriates funds for the New School Construction Special Fund from which lease back payments can be made.

DOE, UH System, and a concerned individual testified in support of this bill. The Department of Budget and Finance opposed this measure.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2182 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 19-06 Health on H.B. No. 2260**

The purpose of this bill is to protect the public from the toxic effects of second-hand smoke by prohibiting smoking in public places and places of employment.

The Department of Accounting and General Services, Hawaii Medical Association, Hawaii Medical Service Association, Hawaii Pacific Health, Healthy Mothers Healthy Babies, American Heart Association, American Lung Association of Hawaii, Imi Hale Native Hawaiian Cancer Network, Tobacco Free Oahu, Coalition for a Tobacco Free Hawaii, Local 368 AFL-CIO, Tobacco Free Kauai, American Cancer Society Hawaii Pacific Inc., Kauai's American Cancer Society, Students of Hawaii Opposing Use of Tobacco, Planned Parenthood of Hawaii, The Center, Windward Ahupuaa Alliance, and numerous concerned individuals supported this bill. The Honolulu Police Department opposed this measure.

Your Committee finds that tobacco smoke is a major contributor to many health problems and that breathing second-hand smoke increases the risk of disease in nonsmokers, including heart disease, stroke, respiratory disease, and lung cancer.

In 2004, the Centers for Disease Control and Prevention issued an advisory to persons with heart disease to avoid indoor settings where smoking is allowed. Exposure to second-hand smoke has also been attributed to thousands of premature deaths and illnesses in Hawaii annually.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2260 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 20-06 Health on H.B. No. 2060**

The purpose of this bill is to ensure that only accurate and medically sound information about sex is provided to give them concrete, evidence-based information to protect them from the repercussions of sexual activity such as sexually transmitted disease and unintended pregnancy.

The American Civil Liberties Union of Hawaii, Healthy Mothers Healthy Babies Coalition of Hawaii, Hawaii Women's Coalition, Windward branch of the American Association of University Women and several concerned individuals supported this bill. The Department of Health supported the intent of this measure.

Your Committee finds that education is the most powerful form of protection to keep our youth safe from the dangers involved in a sexual relationship. Equal in importance to instruction is the provision of accurate information distributed as efficiently and broadly as possible. To ensure a broader distribution of medically accurate sex information, your Committee has amended this bill by:

- (1) Requiring agencies that provide information on sex and that receive federal funding to be responsible for ensuring that the information is medically accurate; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2060, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2060, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 21-06 Health on H.B. No. 2082**

The purpose of this bill is to provide adolescent substance abusers with appropriate treatment by appropriating funds to support increased school-based substance abuse treatment programs for middle schools.

The Department of Health, Blueprint for Change, Hawaii Youth Services Network, Drug Policy Action Group, Hina Mauka, Hawaii Substance Abuse Coalition, and several concerned individuals supported this bill. The Department of Education supported the intent of this measure.

Your Committee finds that abuse of illicit substances is a serious health and safety issue facing the youth of Hawaii. It is estimated that more than 6,500 students in grades six through twelve statewide, need access to treatment for alcohol or drug abuse. A recent Department of Health (DOH) study found adolescents are at serious risk of developing drug or alcohol dependency problems and treatment must be made available to them as early as possible.

More can be done, however, to provide adequate coverage to address this problem. Our charter school system should not be ignored. Your Committee finds that it is important for DOH to assess the needs of our charter schools with regard to establishing school-based substance abuse treatment programs.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2082 and recommends that it pass Second Reading and be referred to the Committee on Education.

Signed by all members of the Committee.

**SCRep. 22-06      Health on H.B. No. 2095**

The purpose of this bill is to ensure that children in our public schools are provided adequate education about, and protection from, the harmful effects of overexposure to sunlight, by requiring the Department of Education (DOE) to establish a sun protection program.

The Hawaii Medical Association, Australian Trade Commission, and a concerned individual supported this bill. The Representative from the Fiftieth District provided oral testimony in support of this bill. DOE provided comments.

Your Committee finds that mounting evidence linking childhood overexposure to sunlight and the development of skin cancer later in life warrants action by the Legislature to implement sun protection programs within our schools. It is also critical that facilities providing early-childhood care and education such as our preschools and county parks and recreation programs guard against such dangers.

In an effort to expand the protective services proposed by this measure, your Committee has amended this bill to ensure that our youngest and most vulnerable citizens are protected by:

- (1) Extending coverage to DOE after-school programs and weekend community-school activities for children, which would include county programs for children;
- (2) Providing that the Department of Human Services implement sun protection programs for group child care homes and group child care centers; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2095, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2095, H.D. 1, and be referred to the Committee on Education.

Signed by all members of the Committee.

**SCRep. 23-06      Health on H.B. No. 2045**

The purpose of this bill is to establish a pilot perinatal clinic to provide comprehensive prenatal, delivery, and postpartum care to women who have a history of methamphetamine and other substance use, including alcohol and tobacco.

The Department of Human Services, Kapiolani Medical Center for Women and Children, Hawaii Medical Association, Salvation Army, Coalition for a Smoke Free Hawaii, Hawaii Substance Abuse Coalition, Healthy Mothers Healthy Babies, American College of Obstetrics and Gynecologists District VIII, Hawaii Section, Planned Parenthood of Hawaii, Drug Policy Action Group, Blueprint for Change, Mililani Town Anti-Drug Committee, and several concerned individuals supported this bill.

Your Committee finds that the health of an unborn baby is placed in serious jeopardy when the mother battles an addiction to drugs, alcohol, or tobacco, and many times the mother will avoid finding appropriate prenatal care out of fear of prosecution or loss of her child due to her addiction. The children of women who suffer from these addictions need to be protected by offering the mother a safe and trusted place to find appropriate medical assistance.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2045, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2045, H.D. 1, and be referred to the Committee on Higher Education.

Signed by all members of the Committee.

**SCRep. 24-06      Water, Land, & Ocean Resources/Agriculture on H.B. No. 2146**

The purpose of this bill is to support and encourage diversified agriculture by permitting the leasing of a portion of a parcel for agricultural uses and activities without having to subdivide the parcel.

The University of Hawaii College of Tropical Agriculture and Human Resources, Hawaii Agriculture Research Center, and Hawaii Farm Bureau Federation testified in support of this bill. The Board of Agriculture, Office of Planning, Department of Business, Economic Development, and Tourism, and Kamehameha Schools supported the intent of this measure. The Sierra Club, Hawaii Chapter, opposed this measure. The Land Use Research Foundation of Hawaii provided comments on this bill.

Your Committees respectfully request the Committee on Judiciary to consider:

- (1) Clarifying the amended language in subsection (e) of this bill to address concerns that the language is confusing and unclear as to the process to be used to establish a leasehold lot without going through the subdivision process; and
- (2) Making the authorization to lease a portion of a parcel for agricultural uses or activities without subdivision approval, subordinate to applicable county ordinances.

Your Committees considered these changes, but concluded that these issues would be better addressed in the Committee on Judiciary, given its expertise on statutory language formulation.

The Sierra Club expressed serious concerns that public access may be jeopardized if agricultural leases were exempted from county subdivision ordinances.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2146 and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Chang, Herkes, Morita, Halford, Meyer and Stonebraker.  
(Representative Berg voted no.)

**SCRep. 25-06      Water, Land, & Ocean Resources/Agriculture on H.B. No. 2145**

The purpose of this bill is to promote agricultural tourism by:

- (1) Making qualifying agricultural tourism a permitted use in the agricultural district;
- (2) Allowing the counties to regulate agricultural tourism by ordinance, including the provision of overnight accommodations; and
- (3) Exempting permitted uses, including agricultural tourism, in the agricultural district from the requirement of an environmental assessment.

Kamehameha Schools, the Land Use Research Foundation of Hawaii, Hawaii Agriculture Research Center, and Gay & Robinson Tours LLC, testified in support of this bill. The Department of Agriculture, Office of Planning, Hawaii Tourism Authority, University of Hawaii College of Tropical Agriculture and Human Resources, and Hawaii Farm Bureau Federation supported this measure with amendments. The Sierra Club, Hawaii Chapter, opposed this measure. The County of Hawaii Planning Department provided comments.

Your Committees note that questions and recommendations arose in decision-making regarding the counties' purported existing authority to permit eco-tourism, and whether the provisions of this measure should be made applicable only to those counties that have rules or ordinances in place that would enable appropriate regulation of agricultural tourism. Because representatives from county governments were not present at the hearing to meaningfully discuss these issues, your Committees will pursue this matter and ensure that these questions will be addressed by the Committee on Tourism & Culture.

Your Committees have amended this bill by:

- (1) Removing overnight accommodations from the list of accessory facilities the counties would be authorized to regulate;
- (2) Deleting the section that would have exempted permissible agricultural activities, including agricultural tourism, from the environment assessment requirements under Chapter 343, Hawaii Revised Statutes; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2145, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2145, H.D. 1, and be referred to the Committee on Tourism & Culture.

Signed by all members of the Committee except Representatives Chang, Herkes, Morita, Halford, Meyer and Stonebraker.  
(Representative Berg voted no.)

**SCRep. 26-06      Energy & Environmental Protection on H.B. No. 2619**

The purpose of this bill is to ensure that electric utility companies are afforded an opportunity to earn a fair rate of return under any proposed utility ratemaking structure, instead of guaranteeing that the utility companies' profit margin will not decrease.

The Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, Public Utilities Commission, Hawaiian Electric Company, Inc., Hawaii Energy Policy Forum, Hawaii Renewable Energy Alliance, Rocky Mountain Institute, PowerLight Corporation, and Honolulu Seawater Air Conditioning, LLC, testified in support of the bill. The Department of Business, Economic Development, and Tourism and Economic Development Alliance of Hawaii supported the intent of the measure.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2619 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Berg and Harbin.



**SCRep. 27-06 Health/Human Services on H.B. No. 2375**

The purpose of this bill is to appropriate additional funds to the State's Medicaid home- and community-based services for the developmentally disabled or mentally retarded program within the Department of Health (DOH) to meet an existing critical funding emergency.

The Department of the Attorney General, DOH, State Council on Developmental Disabilities, Arc of Kona, and Hawaii Disability Rights Center submitted testimony in support of this bill.

DOH reported that additional funds are necessary to support current clients and to reasonably admit individuals into the program to comply with previous court settlement agreements, the U.S. Supreme Court decision in *Olmstead v. Zimring*, and the mandate of Chapter 333F, Hawaii Revised Statutes, to support people with developmental disabilities by providing community-based services.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2375 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Hale.

**SCRep. 28-06 Health/Human Services on H.B. No. 2377**

The purpose of this bill is to make an emergency appropriation to the Department of Health (DOH) to ensure continuous early intervention services for children from birth to three years old with a developmental disability or biological or environmental risk.

DOH, the State Council on Developmental Disabilities, and Hawaii Early Intervention Coordination Council supported this bill.

DOH reported that this emergency appropriation is necessary to make up for its budget shortfall for this fiscal year. An increase in recipients enrolled in the program and an accompanying need to increase services was not budgeted properly in DOH's last request for funding.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2377 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Hale.

**SCRep. 29-06 Health/Human Services on H.B. No. 2378**

The purpose of this bill is to revise the Hawaii Early Intervention Coordinating Council (HEICC) membership and duties to bring it in line with the requirements of the Individuals with Disabilities Education Improvement Act of 2004 regarding the State Interagency Coordination Council.

The Department of Health (DOH) and HEICC supported this bill. The Department of Human Services supported the intent of this measure.

DOH reported that the restructuring of HEICC will improve the provision and coordination of intervention services to meet the needs of recipients of early intervention services. DOH has also added to HEICC's responsibilities the task of advising DOH in transitioning toddlers with special needs to preschool and other services, which is a service currently provided as a joint effort of DOH and the Department of Education.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2378 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Hale.

**SCRep. 30-06 Health on H.B. No. 2076**

The purpose of this bill is to improve the provision of medical services to youths who do not have a parent or guardian to authorize medical procedures.

Hawaii Primary Care Association, Healthy Mothers Healthy Babies, Waikiki Health Center, Hawaii Youth Services Network, Blueprint for Change, Planned Parenthood of Hawaii, and Hale Kipa supported this bill. Hawaii Medical Association supported the intent of this measure.

Your Committee finds that there is a population of teens who are unable to receive necessary medical assistance due to the fact that they are without a parent or guardian to act on their behalf. Many of these youths have fled homes to free themselves from physical, sexual, and mental abuses, or have been thrown out by their parent or guardian. It is important that these troubled individuals be provided the medical treatments they need to ensure their health and survival. To better provide services to minors without parents or guardians to authorize medical attention, your Committee has amended this bill by:

- (1) Repealing the language excluding surgery or treatment to induce abortion;
- (2) Clarifying that elective-cosmetic surgery is not included in medical procedures a minor may authorize without the approval of a parent or guardian; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, style, and to correct drafting style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2076, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2076, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

**SCRep. 31-06 Energy & Environmental Protection on H.B. No. 1952**

The purpose of this bill is to bring the operations of the Waimanalo wastewater treatment plant up to full capacity by authorizing the issuance of \$10,000,000 in general obligation bonds for repairs and improvements.

The Department of Land and Natural Resources commented on this bill.

Your Committee has amended this bill by making technical, nonsubstantive amendments, including amendments to more accurately describe what this bill actually does.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1952, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1952, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg and Harbin.

**SCRep. 32-06 Education/Public Safety & Military Affairs on H.B. No. 2183**

The purpose of this bill is to address a critical shortfall in emergency shelter spaces throughout the state by authorizing the issuance of general obligation bonds to retrofit public school facilities so they may serve as emergency shelters.

The Department of Education and Department of Defense testified in support of this measure.

As affirmed by the records of votes of the members of your Committees on Education and Public Safety & Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2183 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Berg, Hale, Harbin, Kahikina, Nakasone, Souki, Waters and Stonebraker.

**SCRep. 33-06 Education/Health on H.B. No. 2212**

The purpose of this bill is to ensure student health and safety by improving the process by which public school students are assessed and treated for substance abuse.

Specifically, this bill:

- (1) Allows certified substance abuse counselors to conduct substance abuse assessments to qualify individuals for substance abuse-related insurance benefits;
- (2) Requires assessments to be completed within ten days of the request for a determination that the applicant for substance abuse-related insurance benefits suffers from alcohol or drug dependence;
- (3) Makes permanent the provisions allowing a child who violates the zero tolerance policy for drugs and alcohol in public schools to return to school earlier than indicated in the original disciplinary determination;
- (4) Requires public schools to screen students facing substance abuse-related discipline to determine if a need exists for a substance abuse assessment referral;
- (5) Requires the parent or legal guardian of a child facing discipline but who has been assessed as not needing treatment to consent to follow-up counseling for the child and the child's family;
- (6) Requires the school administrator, in determining whether to allow a child to return to school early, to review and determine the nature and severity of the child's offense, its impact on others, the offender's age, and whether the child is a repeat offender; and
- (7) Clarifies that the expungement of certain records does not allow the destruction of the records.

The Department of Education, Hina Mauka, Hawaii Substance Abuse Coalition, and a concerned individual submitted testimony in support of this bill. The Drug Policy Forum of Hawaii and the Drug Policy Action Group supported the intent of this measure. The Hawaii Medical Service Association offered comments.

As affirmed by the records of votes of the members of your Committees on Education and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2212 and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Berg, Hale, Harbin and Halford.

**SCRep. 34-06 Education/Health on H.B. No. 2213**

The purpose of this bill is to promote the health and safety of students by enhancing the Department of Education's (DOE) zero tolerance policy regarding students who possess, sell, consume, or use intoxicating liquor or illegal drugs while attending school or prior to attending department-supervised activities held on or off school property.

Specifically, this bill appropriates funds to establish an "assessment bank" to cover the cost of substance abuse assessments for students who are found to be in violation of the DOE's zero tolerance policy.

DOE, Hina Mauka, Hawaii Substance Abuse Coalition, and a concerned individual testified in support of this bill. The Department of Health supported the intent of this measure.

As affirmed by the records of votes of the members of your Committees on Education and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2213 and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Berg, Hale, Harbin and Halford.

**SCRep. 35-06 Water, Land, & Ocean Resources on H.B. No. 2132**

The purpose of this bill is to:

- (1) Ensure that the Wahiawa dam is properly maintained; and
- (2) Explore the potential recreational use of Lake Wilson,

by appropriating funds to acquire real property underlying Lake Wilson and appurtenant lands.

The ILWU Local 142, Dole Food Company, Inc., and the Wahiawa Community and Business Association supported this bill. Aha Kukaniloko supported the intent of this bill. The Department of Land and Natural Resources opposed this measure. The Department of Agriculture and the Hawaii Agriculture Research Center offered comments.

Your Committee recognizes the benefits that may be afforded to the people of Hawaii with the acquisition of the Lake Wilson lands. However, your Committee notes that the acquisition of these lands should be contingent upon satisfactory resolution of the structural and functional deficiencies currently afflicting the Wahiawa dam and compliance with all laws, including safety and environmental laws.

Your Committee further notes that concerns were raised regarding the State's exposure to liability even if the acquisition of lands is contingent upon compliance with all laws and regulations.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2050, to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2132, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2132, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Morita and Meyer.

**SCRep. 36-06 Water, Land, & Ocean Resources/Agriculture on H.B. No. 1938**

The purpose of this bill is to strengthen the use restrictions of lands in the state land use agricultural district by clarifying that counties shall not permit any use in the agricultural district that is not a statutorily permitted use.

The Department of Agriculture and Hawaii Chapter of the Sierra Club supported the intent of this bill. The Office of Planning, Office of the Corporation Counsel of the County of Hawaii, and Land Use Research Foundation of Hawaii submitted testimony in opposition to this measure. The Land Use Commission and Hawaii Agriculture Research Center offered comments on this bill.

Your Committees strongly concur with the original intent of the bill and that through escalating abuses and circumvention of the law, undesirable precedence has resulted in inappropriate and increasing non-agricultural developments, including luxury estates, on lands in the agricultural district.

Your Committees note that by reference only to section 205-4.5, Hawaii Revised Statutes, the bill would only apply to lands rated "A" or "B" in the agricultural district.

Your Committees find that the use restriction of lands in the agricultural district must be further strengthened. Accordingly, your Committees have amended this bill by:

- (1) Specifically prohibiting resort facilities, including commercial vacation facilities or homes, within the agricultural district;
- (2) Expanding the soil-rating classification from "A" or "B" to all soil-rating classifications, and prohibiting any government agency, including counties, from approving the subdivision of agricultural lands, unless the restriction that the use shall be primarily agricultural be applied;

- (3) Repealing the county's authorization to further define "accessory agricultural uses and services" in relation to the statutory permitted uses in the agricultural district;
- (4) Clarifying the county's authorization to issue special permits for "unusual and reasonable uses" within the agricultural district by prohibiting golf-related facilities and resort facilities; and
- (5) Making technical, nonsubstantive amendments for the purpose of clarity.

Additionally, the bill as amended would help keep agricultural lands affordable for farmers by preventing increases in agricultural land valuations resulting from high value, non-agricultural activities and developments on agricultural land.

As strongly emphasized in the public hearing, any desired or needed development can take place on lands in the agricultural district through the state and county boundary amendment process.

For the reasons cited, this is a critically important measure for your Committees and the people of Hawaii, and would accomplish what has been unsuccessfully attempted for the past five years.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1938, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1938, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Herkes, Morita, Halford, Meyer and Stonebraker.

**SCRep. 37-06 Water, Land, & Ocean Resources/Economic Development & Business Concerns on H.B. No. 2135**

The purpose of this bill is to prohibit the State, counties, and private entities from exercising the power of eminent domain for the purpose of urban or economic development that would result in the development of any nongovernmental retail, office, commercial, residential, or industrial development or use.

The Hawaii Association of Realtors and several concerned individuals supported this bill. The Small Landowners of Oahu, Small Landowners Association of Hawaii, and several concerned individuals supported the intent of this bill. The County of Hawaii and Department of the Corporation Counsel of the City and County of Honolulu opposed this measure. A Councilmember of the City and County of Honolulu, Department of Planning and Permitting of the City and County of Honolulu, and a concerned individual offered comments.

Your Committees are cognizant of mounting public concerns over a recent United States Supreme Court decision, *Kelo v. New London*, allowing eminent domain actions on the mainland involving certain types of non-governmental facilities.

Your Committees fully recognize the need to honor and protect the individual and property rights of citizens while allowing government to fulfill its responsibilities in meeting public needs, both for the present and for the future.

Accordingly, your Committees have attempted to balance these interests by amending this bill to permit the exercise of eminent domain for nongovernmental developments that are determined by the governing authority to be integral and required for public purpose projects, including but not limited to affordable housing, homeless shelters, hospitals, schools, disaster preparedness or renewal projects, and mass transit systems.

In addition, your Committees have:

- (1) Changed the effective date to July 1, 2020, to encourage further discussion of this measure; and
- (2) Made technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Economic Development & Business Concerns that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2135, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2135, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Chang, Evans, Herkes, Tsuji, Ching and Meyer.

**SCRep. 38-06 Human Services on H.B. No. 2078**

The purpose of this bill is to assist foster children by:

- (1) Requiring a foster child's natural parents to pay for the child's car insurance and establishing provisions for payment if the child's parents are unable to pay;
- (2) Enabling the Department of Human Services (DHS) to provide written consent for foster children to apply for a driver's license; and
- (3) Allowing higher education board allowances to be paid directly to former foster children.

The Legal Aid Society of Hawaii, Hawaii Foster Youth Coalition, Hawaii Youth Services Network, and numerous concerned individuals testified in support of this bill. DHS and the Hawaii Insurers Council submitted comments.

Your Committee has amended this bill by:

- (1) Requiring DHS to provide written consent to allow foster children to apply for a driver's license;

- (2) Requiring that the foster parents bear the cost of insurance if the natural parents are unable to pay;
- (3) Indemnifying DHS from liability in the event the foster child is involved in an accident or a lawsuit resulting from driving; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2078, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2078, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

**SCRep. 39-06 Public Safety & Military Affairs on H.B. No. 2325**

The purpose of this bill is to improve Hawaii's disaster preparedness efforts by, among other things:

- (1) Clarifying that the Major Disaster Fund (MDF) may be used for emergencies in addition to disasters;
- (2) Raising the expenditure ceiling of the MDF to \$2,000,000 for any single disaster or emergency;
- (3) Raising to \$2,000,000 the amount of funds available for matching federal disaster or emergency relief funds that become available following a presidential disaster or emergency declaration;
- (4) Establishing the Civil Defense Disaster Preparedness Special Fund (Special Fund) for various disaster preparedness measures and programs;
- (5) Clarifying that moneys in the Hurricane Reserve Trust Fund (Trust Fund) may be:
  - (A) Used for the purposes of the Hawaii Hurricane Relief Fund (Relief Fund);
  - (B) Disbursed upon dissolution of the Relief Fund; provided that upon the Relief Fund's dissolution, the net moneys in the Trust Fund will lapse to the general fund; or
  - (C) Deposited to the Loss Mitigation Grant Fund (Grant Fund) pursuant to legislative appropriation;
- (6) Repealing the provision that transfers interest earned from the principal in the Trust Fund to the general fund;
- (7) Specifying that prior to dissolution of the Relief Fund and in the event that the Relief Fund has no policyholders, the annual net investment income earned from the principal in the Trust Fund shall be deposited into the Special Fund; provided that in fiscal years 2006-2007 and 2007-2008, the first \$2,000,000 of the annual net investment income shall be deposited into the Grant Fund; and
- (8) Repealing \$2,000,000 in funding for various tsunami and hurricane preparedness efforts and \$2,000,000 to be deposited into the Grant Fund and, instead, appropriating \$4,000,000 for the Special Fund for fiscal year 2006-2007.

The Department of Commerce and Consumer Affairs, Department of Accounting and General Services, and the Department of Defense supported this bill. The Hawaii Association of Realtors and a concerned individual submitted comments.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2325 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Shimabukuro and Stonebraker.

**SCRep. 40-06 Public Safety & Military Affairs on H.B. No. 112**

The purpose of this bill is to effectuate its title.

Your Committee finds that H.B. No. 112 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill, primarily used to introduce a bill containing only a general idea as to the purpose of the bill, without specific details in the long form.

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

As amended, the purpose of this bill is to authorize the issuance of general obligation bonds and appropriate funds to renovate the old Greyhound facility near the Honolulu airport in order to relocate and consolidate the operations of the sheriff division of the Department of Public Safety. Furthermore, this bill requires the Governor to transfer jurisdiction over the land at the facility from the Department of Transportation to the Department of Public Safety.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 112, as amended herein, and recommends that it be recommitted to the Committee on Public Safety & Military Affairs, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 112, H.D. 1.

Signed by all members of the Committee except Representatives Shimabukuro and Stonebraker.

**SCRep. 41-06 Public Safety & Military Affairs on H.B. No. 2444**

The purpose of this bill is to effectuate its title.

H.B. No. 2444 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

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

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the action to report out H.B. No. 2444, as amended herein, and recommends that it be recommitted to the Committee on Public Safety & Military Affairs, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 2444, H.D. 1.

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

**SCRep. 42-06 Water, Land, & Ocean Resources on H.B. No. 2129**

The purpose of this bill is to economically and expeditiously facilitate improvements to the state's small boat harbors by:

- (1) Changing the maximum amount of a single capital advancement contract that the Board of Land and Natural Resources (BLNR) can execute without legislative approval from \$2,000,000 to an unspecified amount; and
- (2) Increasing the total aggregate value of all capital advancement contracts from \$5,000,000 to \$25,000,000 that BLNR is authorized to enter per calendar year.

The Department of Land and Natural Resources (DLNR), Lahaina Divers, Maui-Molokai Sea Cruises, Maui Dive Shop, Ocean Tourism Coalition, TRILOGY, Aqua Lung Pacific, and two concerned individuals submitted testimony in support of this bill.

According to testimony by DLNR, BLNR will still retain the authority to review and approve capital advancement contracts for small boat harbors, ensuring that the proper intent of this bill is carried out.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2129 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Morita and Meyer.

**SCRep. 43-06 Water, Land, & Ocean Resources on H.B. No. 1939**

The purpose of this measure is to require that a meeting of the Board of Land and Natural Resources to consider the disposition or setting aside of any public lands to any department or agency of the State, county, or political subdivision of the State be held in the Senate District where the lands are located.

The Board of Land and Natural Resources offered comments to this measure.

Your Committee has amended this measure:

- (1) To extend this requirement to include any disposition of public lands to any person; and
- (2) To exempt from this requirement minor dispositions, including by not limited to permits, licenses, rights of entry, or grants to any state or county department or agency for roadway or infrastructure improvements.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1939, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1939, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Meyer.

**SCRep. 44-06 Water, Land, & Ocean Resources/Legislative Management on H.B. No. 2112**

The purpose of this measure is to subject any disposition of public lands by the Board of Land and Natural Resources, Hawaii Community Development Authority, or High Technology Development Corporation in fee simple, lease with option to purchase, or grant of easement in perpetuity to disapproval by the Legislature by a two-thirds vote of either the Senate or the House of Representative or by a majority of both.

In the public hearing notice of the meeting of the Committees, it was duly noted that a draft proposal of this measure was to be considered during the hearing and that the draft proposal was available for review by members of the Committees and the public. The draft measure provided for the prior approval by the Legislature of any dispositions in fee simple, lease with option to purchase, or easement in perpetuity by the Board of Land and Natural Resources, Hawaii Community Development Authority, or the High Technology Development Corporation.

The Board of Land and Natural Resources, Hawaii Community Development Authority, and Hawaiian Electric Company, Inc., testified in opposition to this measure. The High Technology Development Corporation testified that it did not have the authority to dispose of public lands. Testimony in favor of this measure was received from the Office of Hawaiian Affairs, Sierra Club, and numerous individuals.

Your Committees amended this measure to provide that:

- (1) Any disposition by the Board of Land and Natural Resources or Hawaii Community Development Authority in fee simple, lease with option to purchase, or easement in perpetuity required the prior approval of the Legislature; and
- (2) The grant of any remnants or grants to any state or county department or agency for roadway or infrastructure improvements are not subject to the prior approval of the Legislature.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Legislative Management that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2112, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2112, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Carroll, Takai, Halford and Meyer.

**SCRep. 45-06 Human Services on H.B. No. 2070**

The purpose of this bill is to improve the State Commission on Fatherhood (Fatherhood Commission) by replacing the Director of the Office of Children and Youth with the Chief Justice of the Supreme Court as a member of the Fatherhood Commission.

The Department of Human Services (DHS), Fatherhood Commission, Hawaii Coalition for Dads, and Family Support Services of West Hawaii testified in support of this measure. The Judiciary opposed this measure.

Your Committee has amended this bill by:

- (1) Replacing the Chief Justice with an administrator of the Family Courts as a member of the Fatherhood Commission;
- (2) Adding the Director of Public Safety as a member of the Commission and increasing the number of members to 16 to reflect the addition;
- (3) Correcting a drafting error to update the statute being amended to reflect DHS as the agency to which the Fatherhood Commission is administratively attached; and
- (4) Making other technical, nonsubstantive amendments for consistency and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2070, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2070, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 46-06 Human Services on H.B. No. 2071**

The purpose of this bill is to strengthen the role of fathers in children's lives by appropriating \$122,000 to the State Commission on Fatherhood (Commission) to fulfill its duties.

The Commission and Family Support Services of West Hawaii testified in support of this measure. The Department of Human Services provided comments.

Your Committee finds that the recently established Commission is currently operating on a volunteer basis. As a result, the Commission is primarily staffed by working fathers who are in need of resources to enhance and improve its services. Funds appropriated to the Commission may also be used to leverage funds from other sources.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2071 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 47-06 Education on H.B. No. 2346**

The purpose of this bill is to provide an emergency appropriation to fund the increasing cost of electricity used by the Department of Education (DOE).

DOE testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2346 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Chang, Hale, Harbin and Shimabukuro.

**SCRep. 48-06 Education on H.B. No. 2347**

The purpose of this bill is to provide an emergency appropriation to ensure transportation services are provided to school students.

The Department of Education testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2347 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Chang, Hale, Harbin and Shimabukuro.

**SCRep. 49-06 Education on H.B. No. 2713**

The purpose of this bill is to provide a better learning environment for Hawaii's students by authorizing the issuance of special purpose revenue bonds to assist Kawaihahao School in the planning, construction, and improvement of its educational facilities.

The Hawaii Association of Independent Schools, Kawaihahao School, and a concerned individual testified in support of this measure. The Department of Budget and Finance offered comments.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2713 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Chang, Hale, Harbin and Shimabukuro.

**SCRep. 50-06 Education on H.B. No. 2987**

The purpose of this bill is to provide a better learning environment for Hawaii's students by authorizing the issuance of up to \$15,000,000 in special purpose revenue bonds for Saint Louis School to finance or refinance the planning, construction, and improvements of its educational facilities.

The Hawaii Association of Independent Schools, Saint Louis School, and Saint Louis School Board of Trustees testified in support of this measure. The Department of Budget and Finance offered comments.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2987 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Chang, Hale, Harbin and Shimabukuro.

**SCRep. 51-06 Education on H.B. No. 2128**

The purpose of this bill is to establish high technology mentorship programs for Hawaii's high school students to develop hands-on high technology skills. It also allows businesses that participate in this program to claim a credit against their employment and training fund assessment.

The Department of Education supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2128 and recommends that it pass Second Reading and be referred to the Committees on Economic Development & Business Concerns and Labor & Public Employment.

Signed by all members of the Committee except Representatives Arakaki, Chang, Hale, Harbin and Shimabukuro.

**SCRep. 52-06 Human Services on H.B. No. 2069**

The purpose of this bill is to support Hawaii's families by:

- (1) Establishing the Community-based, Family-centered Models Special Account to award matching grants to establish, maintain, and conduct ongoing evaluation of community-based family-centered models, which are resource centers designed to deliver information and services to families; and
- (2) Appropriating funds to the Hawaii Even Start Literacy Program (Literacy Program).

The Department of Human Services (DHS) testified in support of this measure. The Department of Education supported the intent of this bill. The Department of Budget and Finance did not support this bill. The Attorney General provided comments.

Your Committee has amended this bill by:

- (1) Using the term "community-based, family-centered delivery models" throughout the bill;
- (2) Substituting "special fund" for "special account;"
- (3) Adding definitions of "community-based, family-centered delivery model" and "fund";



- (4) Replacing the appropriation to the Literacy Program with an appropriation to the Community-based, Family-centered Delivery Models Special Fund to be expended by DHS;
- (5) Clarifying that DHS may only use funds to award contracts to purchase services in accordance with Chapter 103F, Hawaii Revised Statutes, Purchases of Health and Human Services; and
- (6) Making other technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2069, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2069, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 53-06 Health on H.B. No. 2879**

The purpose of this bill is to protect Hawaii's consumers from excessive, inadequate, or unfairly discriminatory health insurance rates by making permanent the Insurance Commissioner's oversight of health insurance premium rates.

The Department of Commerce and Consumer Affairs, Hawaii Association of Realtors, Summerlin Life & Health Insurance Company, and a concerned individual testified in support of this measure. The Hawaii Medical Service Association, Kaiser Permanente, and Hawaii Pacific Health opposed this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2879 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

**SCRep. 54-06 Public Safety & Military Affairs on H.B. No. 2443**

The purpose of this bill is to ensure the availability of emergency aid for the State during a disaster by ratifying and allowing Hawaii to become a member of the Emergency Management Assistance Compact (Compact).

By entering into the Compact, Hawaii will join other states in providing mutual assistance in any emergency or disaster.

The Department of Defense testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2443 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Shimabukuro and Stonebraker.

**SCRep. 55-06 Public Safety & Military Affairs on H.B. No. 296**

The purpose of this bill is to make a \$1,000,000 appropriation for tuition assistance for National Guard enrolled in degree programs at the University of Hawaii.

The Department of Defense, Hawaii National Guard Association, and the Chamber of Commerce of Hawaii testified in support of this bill. The University of Hawaii supported the intent of this bill.

Your Committee finds that the tuition assistance program is one of the most effective recruiting tools available to the National Guard and also provides excellent incentive for retaining its valued soldiers and aviators.

Your Committee has amended this measure by:

- (1) Clarifying the law regarding the University of Hawaii tuition assistance to Hawaii National Guard members and removing limits to restrict the program only to undergraduate students;
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style; and
- (3) Changing the effective date from July 1, 2005 to July 1, 2006.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 296, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 296, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Shimabukuro and Stonebraker.

**SCRep. 56-06 Health on H.B. No. 3126**

The purpose of this bill is to improve care for terminally-ill patients who desire "comfort care" or non-resuscitative care from emergency medical services and first responders by:

- (1) Removing the requirement that a physician certify in a written "comfort care only" document that the terminally-ill patient is under the physician's care;
- (2) Allowing a lawfully-appointed guardian, agent, or surrogate of the terminally-ill patient to act on the patient's behalf when directing medical staff to provide only "comfort care"; and
- (3) Removing the requirement that the terminally-ill patient have a rapid identification document in the form of an identifying bracelet or necklace.

The Kapiolani Medical Center for Women & Children, Healthcare Association of Hawaii, North Hawaii Hospice, St. Francis Hospice, Kokua Mau, and several concerned individuals testified in support of this measure. The Department of Health, Hawaiian Islands Hospice Organization, and Hospice Hawaii supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3126 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

**SCRep. 57-06 Housing on H.B. No. 1981**

The purpose of this bill is to allow, for a period of five years, a fee owner to exclude from taxable income 100 percent of the gain realized from:

- (1) The sale of the leased fee interest in a residential house lot or multi-family residential leasehold unit to the lessee of the house lot or unit; or
- (2) The sale of the leased fee interest in a multi-family residential leasehold property to the association of apartment owners or the residential cooperative corporation of the multi-family residential leasehold property.

The Hawaii Council of Associations of Apartment Owners, Hawaii Association of Realtors, and several concerned individuals testified in support of this measure. The Department of Taxation provided comments.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1981 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Sonson.

**SCRep. 58-06 Housing on H.B. No. 2567**

The purpose of this bill is to spur affordable housing development in urban areas by appropriating \$2,500,000 for up to three grants-in-aid for developmental planning of housing projects that reserve at least 50 percent of housing units for households earning 80 percent or less of the median family income.

The City and County of Honolulu (C&C) Department of Community Services submitted testimony in support of this measure. The Housing and Community Development Corporation of Hawaii supported the intent of this bill.

Your Committee recognizes that affordable housing has become problematic on a statewide level, not just in Hawaii's most concentrated urban area, Honolulu. However, your Committee acknowledges the findings of the Joint Legislative Task Force on Housing and Homelessness (Task Force) that the counties of Hawaii, Maui, and Kauai all have plans in place and are actively pursuing innovative methods to develop affordable housing in their respective counties. Your Committee also recognizes that the Task Force received very little information from C&C, which no longer has a separate housing agency, and that the Task Force expressed its concern that C&C has not sufficiently demonstrated a commitment to developing more affordable housing in Honolulu.

Therefore, your Committee supports this measure, which provides funds for the development of affordable housing in urban areas, namely Honolulu, and notes that there are other measures that address housing issues in other counties.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2567 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Sonson.

**SCRep. 59-06 Housing on H.B. No. 2934**

The purpose of this bill is to assist homeless veterans by renovating existing barracks and other structures at Kalaeloa to provide shelter.

US VETS – Hawaii testified in support of this measure. The Housing and Community Development Corporation of Hawaii and Office of Hawaiian Affairs supported the intent of this bill. The Office of Veteran Services did not support this measure.

Your Committee heard compelling testimony about the many veterans who are homeless in Hawaii. Mental illness and drug abuse contribute to the problem, and some veterans expressed concern that not enough is being done to assist them, and that the problem will just exacerbate with the current war. Sadly, US VETS – Hawaii testified that it recently enrolled the first homeless veterans from the current war in Iraq.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2934 and recommends that it pass Second Reading and be referred to the Committee on Public Safety & Military Affairs.

Signed by all members of the Committee except Representative Sonson.

**SCRep. 60-06      Public Safety & Military Affairs on H.B. No. 2449**

The purpose of this bill is to make an appropriation to the Department of Defense to repair the roof hangar at the Hawaii Wing Headquarters of the Hawaii Civil Air Patrol.

Your Committee finds that the hangar is used to coordinate emergency services that include search and rescue, tsunami warning, damage assessment, counter-drug reconnaissance, and aerial homeland security task missions. The facility is vitally important to ensuring that these activities can take place in a safe and appropriate environment.

Your Committee has amended this measure by making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2449, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2449, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Shimabukuro and Stonebraker.

**SCRep. 61-06      Public Safety & Military Affairs on H.B. No. 2447**

The purpose of this bill is to appropriate funds for the Hawaii Civil Air Patrol.

The Civil Air Patrol and several concerned citizens testified in support of this measure.

Your Committee finds that the value of the Civil Air Patrol's all-volunteer emergency services to the State has been demonstrated repeatedly over the years. Funding will allow the organization to significantly increase tsunami warning and search and rescue training for its aircrews, enabling the Civil Air Patrol to increase its aircraft utilization and helping Hawaii Wing retain its current fleet of nine aircraft.

Your Committee has amended this measure by making technical nonsubstantive amendments for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2447, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2447, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Shimabukuro and Stonebraker.

**SCRep. 62-06      Agriculture on H.B. No. 2177**

The purpose of this bill is to promote agricultural development in Hawaii by proposing a constitutional amendment that authorizes the State to issue special purpose revenue bonds to assist agricultural businesses operating on important agricultural land.

The Department of Agriculture, Land Use Research Foundation of Hawaii, Hawaii Crop Improvement Association, and Hawaii Farm Bureau Federation supported this bill. The Department of Budget and Finance, Hawaii Agriculture Research Center, and Maui Land and Pineapple Company, Inc., supported the intent of this bill. The Sierra Club, Hawaii Chapter, Hanalei Watershed Hui, and Earthjustice opposed this measure.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2177 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Halford.

**SCRep. 63-06      Agriculture on H.B. No. 2178**

The purpose of this bill is to allow the Department of Budget and Finance (B&F) to issue special purpose revenue bonds to assist agricultural enterprises that directly benefit and serve important agricultural lands.

The Department of Agriculture, Department of Taxation, Land Use Research Foundation of Hawaii, Hawaii Crop Improvement Association, and the Hawaii Farm Bureau Federation supported this bill. B&F, Maui Land and Pineapple Company, Inc., and the Hawaii Agriculture Research Center supported the intent of this bill. Earthjustice, Hanalei Watershed Hui, and Sierra Club, Hawaii Chapter, opposed this measure.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2178 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Halford.

**SCRep. 64-06      Agriculture on H.B. No. 2772**

The purpose of this bill is to reduce agricultural and aquacultural theft and vandalism by establishing penalties for these crimes that are based on the value of the property damage inflicted. Under this bill, a person commits the offense of criminal property damage in:

- (1)      The first degree if the value of the damage inflicted exceeds \$1,500;
- (2)      The second degree if the value of the damage inflicted exceeds \$500; and
- (3)      The third degree for other damage inflicted.

The Department of Agriculture, the City and County of Honolulu Department of the Prosecuting Attorney, Alexander & Baldwin, Inc., Hawaii Farm Bureau Federation, Maui County Farm Bureau, Hawaii Agriculture Research Center, Hawaii Aquaculture Association, Hawaii Crop Improvement Association, Meadow Gold Dairies, Hawaii Beekeepers Association, and several individuals testified in support of this bill. The Office of the Public Defender opposed this measure.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2772 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Halford.

**SCRep. 65-06      Agriculture on H.B. No. 2774**

The purpose of this bill is diversify Hawaii's economy by appropriating \$1,000,000 for the Hawaii Farm Bureau Federation to conduct agricultural research and market development.

Alexander & Baldwin, Inc., the Hawaii Agriculture Research Center, Hawaii Crop Improvement Association, Hawaii Farm Bureau Federation, Kauai County Farm Bureau, Maui County Farm Bureau, Meadow Gold Dairies, C&H Farms, the Hawaii Beekeepers Association, and several individuals testified in support of this bill. The Department of Agriculture supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2774 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Halford.

**SCRep. 66-06      Agriculture on H.B. No. 2775**

The purpose of this bill is to alleviate the effects of droughts on our agricultural industry by appropriating \$4,000,000 to support drought mitigation projects and measures in each county.

The Hawaii Farm Bureau Federation, Maui County Farm Bureau, Hawaii Agriculture Research Center, Hawaii Crop Improvement Association, and C&H Farms testified in support of this bill. The Department of Agriculture and the Department of Land and Natural Resources supported the intent of this measure, provided that the appropriation in this bill does not adversely affect priorities in the Executive supplemental budget.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2775 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Halford.

**SCRep. 67-06      Agriculture on H.B. No. 2253**

The purpose of this bill is to better prepare the state for emergencies or disasters by appropriating funds to convert the Department of Agriculture's (DOA) animal quarantine shelter in Halawa, Oahu, into an animal shelter facility to be used during times of emergency or disaster.

The State Department of Defense testified in support of the intent of this measure. DOA opposed this measure.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2253 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Halford.

**SCRep. 68-06      Agriculture on H.B. No. 2272**

The purpose of this bill is to assist farmers by increasing from \$25,000 to \$75,000, the amount of agricultural and aquacultural loans that can be approved by the chairperson of the Department of Agriculture (DOA).

DOA, the Hawaii Farm Bureau Federation, Hawaii Aquaculture Association, Hawaii Crop Improvement Association, Meadow Gold Dairies, and C&H Farms testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2272 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Halford.

**SCRep. 69-06      Agriculture on H.B. No. 2771**

The purpose of this bill is to provide more opportunities for agricultural enterprises in Hawaii by appropriating \$250,000 for the development of a master plan for an agricultural park in Royal Kunia.

The Hawaii Farm Bureau Federation, Hawaii Agriculture Research Center, and C&H Farms supported this bill. The Department of Agriculture supported the intent of this bill.

Your Committee has amended this bill by:

- (1) Deleting a lapsing provision usually used with general obligation bond appropriations; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2771, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2771, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Halford.

**SCRep. 70-06      Economic Development & Business Concerns on H.B. No. 1924**

The purpose of this bill is to support small business development in Hawaii by appropriating \$680,000 for fiscal year 2006-2007 to fund various operating expenses related to consulting and training services at the Small Business Development Center.

The Hawaii Small Business Development Center Network supported this bill. The Department of Business, Economic Development, and Tourism supported the intent of this bill.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1924 and recommends that it pass Second Reading and be referred to the Committee on Higher Education.

Signed by all members of the Committee.

**SCRep. 71-06      Economic Development & Business Concerns on H.B. No. 3069**

The purpose of this bill is to promote the sustainable development and use of biological resources found in Hawaii by:

- (1) Requiring the Department of Land and Natural Resources (DLNR) to create a permitting system for the purpose of collecting and using biological resources derived from lands and waters of the State;
- (2) Requiring and appropriating funds for DLNR to implement an electronic database to process and track collection permits and biological resources that are collected; and
- (3) Providing for the use and distribution of revenues from the licensing of any biological resources that are collected under permit in the state.

The University of Hawaii, High Technology Development Corporation, Hawaii Science & Technology Council, Hawaii Venture Capital Association, Hawaii Crop Improvement Association, Hawaiian Alliance for Responsible Technology & Science, Oceanit, and two concerned individuals testified in support of this measure. DLNR, the Department of Business, Economic Development, and Tourism, and Ahahui Siwila Hawaii O Kapolei supported the intent of this measure. The Waikiki Hawaiian Civic Club offered comments.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3069 and recommends that it pass Second Reading and be referred to the Committees on Water, Land, & Ocean Resources and Hawaiian Affairs.

Signed by all members of the Committee.

**SCRep. 72-06      Economic Development & Business Concerns on H.B. No. 2957**

The purpose of this bill is to appropriate \$650,000 to the Department of Land and Natural Resources (DLNR) for survey and engineering design fees to develop an industrial park at Mana, south Hilo, on the island of Hawaii.

The Kanoelchua Industrial Area Association submitted testimony in support of this bill. DLNR supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2957 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 73-06 Economic Development & Business Concerns on H.B. No. 1968**

The purpose of this bill is to require wine manufacturers to obtain a permit to directly ship wine to Hawaii residents.

The Wine Institute and a concerned individual submitted testimony in support of this measure.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1968 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 74-06 Economic Development & Business Concerns on H.B. No. 2707**

The purpose of this bill is to help preserve Hawaii's scenic beauty by prohibiting advertising on vehicles in public places, or on private property viewable from a public place, if the vehicle is not engaged in its usual business and is being used primarily to display advertisements or business notices.

The Conservation Council for Hawaii, Sierra Club Hawaii Chapter, and Life of the Land testified in support of this bill. The Attorney General and Outdoor Circle provided comments.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2707 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Chang.

**SCRep. 75-06 Economic Development & Business Concerns on H.B. No. 2708**

The purpose of this bill is to promote traffic safety and protect the natural beauty of Hawaii by prohibiting individuals and organizations from operating or parking motor vehicles that display advertisements to the public, for consideration or other economic benefit.

The Outdoor Circle submitted testimony in support of this bill. The Attorney General offered comments on this bill.

Your Committee has amended this bill by:

- (1) Lessening the maximum penalty for violations from \$5,000 to \$50;
- (2) Eliminating the three-month imprisonment penalty; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2708, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2708, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Chang.

**SCRep. 76-06 Agriculture on H.B. No. 2777**

The purpose of this bill is to stabilize agricultural park lease rents by establishing that, for reopenings of any agricultural park lease, the annual lease rent shall be determined by appraisal based on highest and best use determined through an income capitalization approach considering the potential agricultural yield from the property.

The Hawaii Farm Bureau Federation, East Oahu Farmer's Association, and the Hawaii Agriculture Research Center supported this bill. The Department of Agriculture offered comments.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2777 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Halford.

**SCRep. 77-06 Energy & Environmental Protection/Water, Land, & Ocean Resources on H.B. No. 1706**

The purpose of this measure is to adopt the Uniform Environmental Covenants Act. This Act would ensure that lands that have been exposed to contaminants and have not had the contaminants removed to unrestricted levels because the removal or remediation is not feasible, practical, or necessary:

- (1) Will remain subject to land use restrictions, monitoring, or other engineering controls designed to control the environmental risk; and

- (2) Which requirements shall be reflected in land records and enforced as valid real property servitudes.

Your Committee has amended this measure by:

- (1) Removing the contents of the bill and inserting in its place the contents of House Bill No. 2382, relating to the same Uniform Environmental Covenants Act;
- (2) Adding a section clearly setting forth the purposes for this measure;
- (3) Adding a provision that excludes an unrecorded interest in real property owned, operated, or maintained by a public utility or provider of essential public service that is in existence at the time the environmental covenant was created, unless the public utility or provider of the essential public service was the grantor or a holder of the covenant;
- (4) Adding a provision requiring the Department of Health to maintain a registry of all recorded environmental covenants on its web-site or at another appropriate place; and
- (5) Making technical nonsubstantive changes for purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1706, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1706, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 78-06 Human Services/Health on H.B. No. 2043**

The purpose of this bill is to expand healthcare coverage for the needy by:

- (1) Raising the medically needy standard for the QUEST-spenddown Program (Program) to an amount that is equal to the current federal poverty level for a family of applicable size; and
- (2) Appropriating funds for the Program.

The Legal Aid Society of Hawaii, National Association of Social Workers, Hawaii Chapter, and Blueprint for Change submitted testimony in support of this bill. The Department of Human Services (DHS) submitted comments.

Your Committees have amended this bill by requiring that DHS set the medically needy standard to the maximum amount allowed under federal Medicaid requirements.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2043, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2043, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 79-06 Energy & Environmental Protection on H.B. No. 2620**

The purpose of this bill is to establish an alternative fuel portfolio standard for motor vehicle fuels in the State of Hawaii.

The Department of Business, Economic Development, and Tourism, the Public Utilities Commission, and the Rocky Mountain Institute supported the intent of this bill. The Alliance of Automobile Manufacturers and the Hawaii Automobile Dealers' Association opposed this bill. The Office of Information Practices and the Hawaii Motorcycle Dealers Association submitted comments.

Your Committee has amended this bill by replacing its contents and inserting language that:

- (1) Directs the counties to issue license plates for energy-efficient vehicles and exempts vehicles with these license plates from motor vehicle registration fees for a period of five years;
- (2) Directs state covered fleets to:
  - (A) Meet energy efficiency standards for newly purchased light-duty vehicles one year sooner than required under current law;
  - (B) Meet an additional standard requiring at least thirty per cent of newly purchased light-duty vehicles to be energy-efficient in fiscal year 2007-2008; and
  - (C) Meet an energy-efficiency standard of at least seventy-five per cent for years subsequent to fiscal year 2008-2009;
- (3) Defines "alternative fuel", "covered fleet", "excluded vehicles", and "light duty vehicle", as defined in 10 Code of Federal Regulations Part 490;
- (4) Amends the definition of "energy-efficient vehicle" to include vehicles using alternative fuel and vehicles on the "Most Energy Efficient Vehicles" list or in the top one-fifth of the most energy-efficient vehicles available in Hawaii, as maintained by the United States Environmental Protection Agency;
- (5) Clarifies how offsets of the purchase requirements are measured and provides for offsets for vehicles using biodiesel fuel;

- (6) Sets forth exemptions to the energy-efficiency standards and how to apply for an exemption;
- (7) Adds a new purpose clause relating to the foregoing amendments; and
- (8) Makes technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2620, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2620, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Berg and Harbin.

**SCRep. 80-06      Tourism & Culture on H.B. No. 1923**

The purpose of this bill is to maintain the operational efficiency of the Hawaii Tourism Authority (HTA) by, among other things, making permanent:

- (1) HTA's authority to retain attorneys independent of the Attorney General;
- (2) The exemption of HTA's accounts from supervision by the Comptroller;
- (3) The requirement that HTA preaudit all of its proposed payments to determine the propriety of expenditures and compliance with applicable laws;
- (4) The requirement that HTA maintain records and documents necessary to support its disbursements of funds for operating expenses;
- (5) The provision that exempts moneys deposited by HTA into the Convention Center Enterprise Special Fund and the Tourism Special Fund (TSF) from being deposited into the state treasury;
- (6) HTA's authority to appoint a sports coordinator;
- (7) The provision that establishes that all interest and revenues or receipts derived by HTA from projects or project agreements shall be deposited into the TSF; and
- (8) The increase, to 5 percent from 3.5 percent, in TSF funds that may be used for administrative expenses.

HTA, Outrigger Hotels, and the Hawaii Hotel & Lodging Association supported this bill.

As affirmed by the record of votes of the members of your Committee on Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1923 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 81-06      Tourism & Culture on H.B. No. 1922**

The purpose of this bill is to exempt, from the general excise tax, amounts received by the operator of the Hawaii Convention Center for reimbursement of costs or advances made under a contract with the Hawaii Tourism Authority (HTA) to market, manage, use, operate, or maintain the Hawaii Convention Center.

The Department of Taxation and HTA supported this bill.

As affirmed by the record of votes of the members of your Committee on Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1922 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 82-06      Tourism & Culture on H.B. No. 2669**

The purpose of this bill is to provide for the maintenance and operational expenses of the Hawaii Convention Center by repealing the existing \$31,000,000 cap on the amount of transient accommodations tax collections deposited into the Convention Center Enterprise Special Fund.

The Hawaii Tourism Authority, Outrigger Hotels, and the Hawaii Hotel & Lodging Association supported this bill. The Department of Business, Economic Development, and Tourism supported the intent of this measure. The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO opposed this bill. The Department of Taxation and the Tax Foundation of Hawaii submitted comments.

As affirmed by the record of votes of the members of your Committee on Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2669 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.



**SCRep. 83-06      Tourism & Culture on H.B. No. 2668**

The purpose of this bill is to clarify the funding for tourism research conducted by the Department of Business, Economic Development, and Tourism (DBEDT) by specifying that funds for tourism research and statistics shall be transferred from the Tourism Special Fund (TSF) to DBEDT in accordance with a master plan and budget developed in coordination with the Hawaii Tourism Authority (HTA).

DBEDT, HTA, and the Hawaii Hotel & Lodging Association supported this bill.

Your Committee notes that concerns were raised regarding a provision in the bill that establishes that the transfer of funds to DBEDT from the TSF shall not be considered an expenditure of the TSF.

In light of this concern, your Committee has amended this bill by:

- (1) Deleting the provision specifying that funds from the TSF transferred to DBEDT for tourism research and statistics shall not be considered expenditures from the TSF; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2668, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2668, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 84-06      Health on H.B. No. 2753**

The purpose of this bill is to protect members of a mutual benefit society in the event of its dissolution by:

- (1) Ensuring that the assets of a mutual benefit society in dissolution escheat to the State of Hawaii; and
- (2) Authorizing the Insurance Commissioner to take actions reasonably required to prevent dissipation of a mutual benefit society's assets prior to their dissolution and to ensure the continued operation of the mutual benefit society for the benefit of its members.

The Department of Commerce and Consumer Affairs and Hawaii Coalition for Health testified in support of this bill. The Hawaii Medical Services Association testified in opposition to this measure. The American Council of Life Insurers offered comments of this measure.

Although the Insurance Commissioner currently has the authority to deal with insurers that are insolvent, no such remedies exist for mutual benefit societies that are not insolvent but have decided to no longer provide benefits to their members. Your Committee understands that in such cases, while a mutual benefit society may have significant assets, these assets are not the property of the management of the society but that no mechanism is in place to regulate what happens to the assets.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2753 and recommends that it pass Second Reading and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee.

**SCRep. 85-06      Health on H.B. No. 2813**

The purpose of this bill is to ensure healthcare coverage for disabled children by requiring health insurance policies and similar products that provide coverage for children of an insured person to also provide coverage for the disabled children of the insured person.

The Department of Commerce and Consumer Affairs supported this bill. The American Council of Life Insurers opposed the measure. Kaiser Permanente did not support the bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2813, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2813, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

**SCRep. 86-06      Health on H.B. No. 2670**

The purpose of this bill is to establish the Hawaii Health Authority to work toward developing a single-payer, universal healthcare program that will provide health care for all Hawaii citizens.

The Christian Science Committee on Publication – Hawaii, and several concerned individuals supported this bill. The Department of Commerce and Consumer Affairs opposed this measure. Kaiser Permanente did not support the bill. The Department of Human Services submitted comments.

Your Committee has amended this bill by:

- (1) Changing the appropriation to \$1 to promote further discussion on this important measure; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2670, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2670, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

**SCRep. 87-06 Health on H.B. No. 2103**

The purpose of this bill is to establish the Hawaii Health Authority to work toward developing a single-payer, universal healthcare program that will provide healthcare for all Hawaii citizens.

The Kokua Council, Physicians for a National Health Program, and several concerned individuals supported this bill. ILWU Local 142 and a concerned individual supported the intent of this measure. The Department of Commerce and Consumer Affairs, Kaiser Permanente, and Healthcare Association of Hawaii opposed this bill. The Department of Human Services submitted comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2103, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2103, H.D. 1, and be referred to the Committee on Higher Education.

Signed by all members of the Committee.

**SCRep. 88-06 Health on H.B. No. 2162**

The purpose of this bill is to increase the number of nurses available to serve rural areas of the state by establishing the Rural Nursing Program (Program) to provide loans to nursing students, each year of which will be forgiven for each year the nurse works in a rural area.

The University of Hawaii School of Nursing and Dental Hygiene, Hawaii Government Employees Association, Hawaii State Center for Nursing, Hawaii Nurses' Association, and Hawaii Psychiatric Medical Association supported this bill.

Your Committee finds that Hawaii has a shortage of registered professional nurses especially in rural areas of Oahu and the neighbor islands. It is important to respond to such a need rapidly and efficiently. In its attempt to find a solution to this healthcare challenge, your Committee has amended this bill by:

- (1) Providing a funding mechanism for the Program by establishing the Rural Nursing Program Revolving Fund (Revolving Fund);
- (2) Appropriating:
  - (A) \$1 to the Revolving Fund; and
  - (B) \$1 for the administration of the Program,
 to promote further discussion.

Technical, nonsubstantive changes were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2162, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2162, H.D. 1, and be referred to the Committee on Higher Education.

Signed by all members of the Committee.

**SCRep. 89-06 Legislative Management on H.B. No. 2259**

The purpose of this bill is to take steps to activate the dormant Office of the Legislative Analyst (Office) by:

- (1) Expanding the purposes of the Office to include:
  - (A) Monitoring the receipt and expenditures of federal funds received by the State; and

- (B) Reviewing and making recommendations to the Legislature regarding the administration and efficacy of the expenditures;

and

- (2) Appropriating funds to the Office specifically for the purposes described above.

Your Committee notes that Hawaii is one of the few states that does not have a separate and independent fiscal policy office to provide the Legislature with revenue and expenditure data and analysis. While the Office has been established for many years, it has been left without funding. Your Committee finds that this measure is a good first step toward restoring the functions of the Office.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2259 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 90-06 Legislative Management on H.B. No. 2712**

The purpose of this bill is to promote responsible growth in Hawaii by appropriating funds for the preparation of the Hawaii 2050 Sustainability Plan.

The State Auditor and a concerned individual supported this bill.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2712 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 91-06 Legislative Management on H.B. No. 1917**

The purpose of this bill is to propose a constitutional amendment to establish a salary commission that would be responsible for reviewing and recommending salaries for:

- (1) Justices and judges of all state courts;
- (2) Members of the Legislature;
- (3) The Governor and Lieutenant Governor;
- (4) The Administrative Director of the State; and
- (5) Department heads and executive officers, and their deputies or assistants, excluding the University of Hawaii and the Department of Education.

The Hawaii Government Employees Association and a concerned individual testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1917 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 92-06 Water, Land, & Ocean Resources on H.B. No. 2398**

The purpose of this bill is to protect Hawaii's ocean and coastal resources by statutorily establishing a Hawaii Ocean and Coastal Council (Council).

The Department of Land and Natural Resources, Department of Agriculture, Department of Business, Economic Development, and Tourism (DBEDT), Department of Health, Department of Transportation, University of Hawaii, Office of Hawaiian Affairs, Department of Planning of the County of Maui, Tourism Liaison of DBEDT, and the Association of Hawaiian Civic Clubs testified in support of this bill.

Your Committee finds that in 2005, the Governor, through Executive Order No. 2005-01, established the Council. The Council was directed to gather information and provide advice and recommendations on direction and planning for addressing Hawaii's ocean and coastal concerns. The Council, however, is scheduled to be terminated by the end of the Regular Session of 2006. This bill would make the Council a permanent body.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2398 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Evans, Waters and Meyer.

**SCRep. 93-06 Water, Land, & Ocean Resources on H.B. No. 2395**

The purpose of this bill is to protect Hawaii's forest reserves by:

- (1) Establishing administrative penalties for violations of Hawaii's forest reserve, water development, and zoning law;
- (2) Allowing the Board of Land and Natural Resources to set and charge administrative fees and recover administrative fees and costs resulting from violations of the forest reserve, water development, and zoning law; and
- (2) Adding a fine of up to \$2,000, in addition to any other penalties, for each tree illegally taken from state forest reserves.

The Department of Land and Natural Resources, Nature Conservancy of Hawaii, Hawaii Forest Industry Association, and Sierra Club, Hawaii Chapter, testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2395 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Evans, Waters and Meyer.

**SCRep. 94-06 Water, Land, & Ocean Resources on H.B. No. 2133**

The purpose of this bill is to preserve the coastal dune ecosystem within the Kaena Point Natural Area Reserve (NAR) on Oahu by prohibiting motorized vehicles within the NAR.

The Conservation Council for Hawaii, Sierra Club, Hawaii Chapter, Mokuleia Community Association, and several individuals testified in support of this bill. The Department of Land and Natural Resources supported the intent of this measure. Several individuals opposed this bill.

Most of the opposing testimony was from individuals who want to continue to use their vehicles in the Kaena Point area. It should be pointed out, however, that this bill only prohibits vehicular traffic within the NAR itself which comprises only 34 acres. Vehicles would continue to be allowed in the Kaena Point area, including the lands within the 779-acre Kaena Point State Park. Vehicular access to this area is somewhat limited due to landslides at both the Mokuleia as well as Keawaula entrance points.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2133 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 95-06 Water, Land, & Ocean Resources on H.B. No. 2138**

The purpose of this bill is to protect birds and marine life whose behaviors and life cycles are affected by artificial light by prohibiting artificial lighting in all areas along the shoreline.

The Office of Hawaiian Affairs, Conservation Council for Hawaii, and Sierra Club, Hawaii Chapter, testified in support of this bill. The Department of Business, Economic Development, & Tourism and Land Use Research Foundation of Hawaii opposed this measure. The University of Hawaii Environmental Center offered comments.

Your Committee has amended this bill by:

- (1) Extending exemptions from the artificial lighting prohibition to include:
  - (a) All underwater lighting fixtures and those fixtures directed downward and illuminating a limited area of no more than 30 feet; and
  - (b) All lighting fixtures that are the only practicable means of ensuring occupant safety and security;
 and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2138, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2138, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 96-06 Education/Human Services on H.B. No. 2364**

The purpose of this bill is to expedite the reporting of child abuse or neglect by requiring staff members of a public or private school, agency, or institution that reasonably believe child abuse or neglect has or will occur, to immediately report it directly to the Department of Human Services (DHS) or police.

DHS testified in strong support of this bill. The Department of Education and Hawaii State Teachers Association supported the intent of this measure.

In at least one known incident, a public school teacher's report to the principal of suspected abuse was not reported to DHS or the police and the child was horribly beaten, maimed, and nearly died. Currently, a teacher is required to report the matter to the school's principal or designee, who then reports it to DHS or the police.

Your Committees are in agreement that this bill will ensure that known or suspected child abuse or neglect will be immediately reported directly by those who observe it. Moreover, the best evidence of abuse or neglect is obtained by direct reporting.

Your Committees discussed the clarification of the phrase "immediately report" and urges the Committee on Judiciary to examine and clarify the legal ramifications of the phrase, if it is deemed necessary.

As affirmed by the records of votes of the members of your Committees on Education and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2364 and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Arakaki, Chang, Harbin, Kahikina, Waters and Halford.

**SCRep. 97-06 Human Services/Health on H.B. No. 3130**

The purpose of this bill is to protect newborns from potential harm by providing immunity from prosecution:

- (1) For persons leaving an unharmed newborn accompanied by written medical information at a hospital, fire station, or police station within 72 hours of birth; and
- (2) For hospitals, fire stations, and police stations for receiving a newborn.

Blueprint for Change, Hawaii Family Forum, the Hawaii Catholic Conference, and a concerned individual testified in support of this bill. The Department of the Prosecuting Attorney of the City and County of Honolulu supported the intent of this measure. The Department of Human Services offered comments.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3130 and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 98-06 Agriculture on H.B. No. 2796**

The purpose of this bill is to prevent mislabeling of honey sold in Hawaii by:

- (1) Establishing specific labeling requirements for the identity statement used for labeling or advertising honey products produced in whole or in part from Hawaii-produced honey; and
- (2) Requiring the Department of Agriculture to establish and enforce a program certifying compliance:
  - (A) With labeling requirements; and
  - (B) That honey sold in Hawaii is not misbranded or adulterated.

C&H Farms and Hawaii Beekeepers' Association submitted testimony in support of this bill. The Hawaii Farm Bureau Federation supported the intent of this measure. The Department of Agriculture offered comments.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2796 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Halford.

**SCRep. 99-06 Agriculture on H.B. No. 2767**

The purpose of this bill is to address the problem of agricultural pests in Hawaii by appropriating \$250,000 as interim funding for the fruit fly eradication program.

The Hawaii Farm Bureau Federation, Center for Genomics, Proteomics and Bioinformatics Research Initiative at the University of Hawaii (UH), Hawaii Agriculture Research Center, C & H Farms, and the Maui County Farm Bureau supported this bill. The Department of Agriculture supported the intent of this bill.

Your Committee has amended this measure by:

- (1) Changing the expending agency for the appropriation from DOA to UH to expedite administration of the funding; and
- (2) Making technical, nonsubstantive amendments for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2767, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2767, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Halford.

**SCRep. 100-06 Agriculture/Economic Development & Business Concerns on H.B. No. 2769**

The purpose of this bill is to assist agricultural businesses under the State's Enterprise Zone (EZ) program by, among other things:

- (1) Establishing that agricultural businesses shall remain eligible for all tax incentives under the EZ program during any period caused by a force majeure event;
- (2) Extending the eligibility period for agricultural businesses in the EZ program by the number of months of the duration of the force majeure event;
- (3) Clarifying the definition of "full-time employee" under the EZ program by specifically including leased employees and employees under a joint employer relationship in the definition; and
- (4) Allowing agricultural businesses that are unable to meet annual full-time employee requirements to instead meet annual gross revenue requirements.

The Department of Business, Economic Development, and Tourism, Department of Agriculture, Hawaii Agriculture Research Center, Hawaii Crop Improvement Association, Maui County Farm Bureau, Hawaii Farm Bureau Federation, Meadow Gold Dairies, Kaupo Ranch, Ltd., C&H Farms, and several concerned individuals supported this bill. The Department of Taxation offered comments.

Your Committees have amended this bill by:

- (1) Specifying that agricultural businesses, operating in an area before the area is designated as an EZ, that are unable to meet annual full-time employment requirements may instead increase cumulative average annual gross revenues by at least two percent annually;
- (2) Inserting an inadvertently deleted provision that includes in the definition for "joint employer" an arrangement between employers to share an employee's services, for example, to interchange employees; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Agriculture and Economic Development & Business Concerns that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2769, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2769, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 101-06 Tourism & Culture on H.B. No. 3080**

The purpose of this bill is to promote the film, motion picture, and digital media industries in Hawaii by temporarily replacing the existing Motion Picture and Film Production Tax Credit with the Motion Picture, Digital Media, and Film Production Tax Credit (New Tax Credit). Specifically, this bill, among other things:

- (1) Establishes the amount of the New Tax Credit at 15 percent of qualified production costs incurred in any county with a population over 700,000;
- (2) Establishes the amount of the New Tax Credit at 20 percent of qualified production costs incurred in any county with a population of 700,000 or less;
- (3) Establishes criteria to qualify for the New Tax Credit; and
- (4) Limits the New Tax Credit to \$8,000,000 per qualified production.

The Department of Business, Economic Development, and Tourism, Department of Taxation, Honolulu Film Office, Maui Film Office, Big Island Film Office, Hawaii Film & Entertainment Board, Screen Actors Guild, International Alliance of Theatrical Stage Employees, Mixed Local 665, American Federation of Musicians, Local 677, Hawaii Film Authority, Inc., Pae 'Aina Communications, LLC, The Estate of James Campbell, Ko Olina Resort, and several concerned individual supported this bill. The Tax Foundation of Hawaii offered comments.

As affirmed by the record of votes of the members of your Committee on Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3080 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 102-06 Legislative Management on H.B. No. 1918**

The purpose of this bill is to establish a commission on salaries within the Department of Human Resources Development that would be responsible for reviewing and recommending salaries for:

- (1) Justices and judges of all state courts;
- (2) Members of the Legislature;
- (3) The Governor and Lieutenant Governor;

- (4) The Administrative Director of the State; and
- (5) Department heads and executive officers, and their deputies or assistants, excluding the University of Hawaii and the Department of Education.

This bill also repeals the Executive Salary Commission and the Judicial Salary Commission.

This bill will become effective upon ratification of a constitutional amendment authorizing the establishment of the commission on salaries.

The Hawaii Government Employees Association and a concerned individual testified in support of this bill. The Judiciary offered comments.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1918 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 103-06 Education on H.B. No. 1839**

The purpose of this bill is to ensure that every blind or visually-impaired child is instructed in braille, if deemed appropriate to the child's current and future needs, by:

- (1) Establishing standards of braille proficiency and instruction;
- (2) Requiring materials to be provided in a computer-accessible format capable of braille reproduction; and
- (3) Requiring the certification and recertification of teachers in accordance with braille literacy standards.

The Ho'opono Advisory Board and many concerned individuals testified in support of this measure. The Honolulu Chapter of the National Federation of the Blind of Hawaii supported this measure with amendments. The Department of Education and Disability and Communication Access Board supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Clarifying that when a decision is made not to incorporate braille instruction into a child's individualized education program (IEP), a statement should be provided that the decision was reached based on a review of pertinent assessments rather than a review of pertinent literature;
- (2) Removing the requirement that a child's IEP include the length of the period of instruction and the frequency and duration of each instruction session, because braille instruction is infused within the regular education curriculum throughout the student's school day, so only a record of the braille instruction services provided is needed;
- (3) Deleting the specification that all publishers of instructional materials sold to the State or any local education agency furnish an electronic version, because the National Instructional Materials Accessibility Standard initiative already addresses this;
- (4) Removing the requirement that applicants for certification in the instruction of blind and visually impaired children demonstrate competence in reading and writing braille as part of the certification and renewal process conducted by the Hawaii Teacher Standards Board; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1839, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1839, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 104-06 Education on H.B. No. 2961**

The purpose of this bill is to promote the health and welfare of our school children by establishing a Federal Revenue Maximization Program Revolving Fund to collect and disburse revenue for Medicaid-eligible health services provided to public school children.

The Department of Human Services supported this bill. The Department of Education supported this measure with amendments.

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

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2961, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2961, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Green, Harbin and Waters.

**SCRep. 105-06 Energy & Environmental Protection on H.B. No. 1934**

The purpose of this bill is to change the title of the Executive Director of the Natural Energy Laboratory of Hawaii Authority (NELHA) to Chief Executive Officer.

The Executive Director of NELHA testified in support of the bill as the duties expected of the position are more comparable to those of a Chief Executive Officer.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1934 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 106-06 Human Services on H.B. No. 937**

The purpose of this bill as received is to abolish the QUEST Program enrollment cap.

For purposes of the public hearing, a proposed draft was circulated. The proposed draft establishes the Commission on Juvenile Justice (Commission) within the Department of Human Services to have oversight over the Hawaii Youth Correctional Facility (HYCF) and Office of Youth Services (OYS). Your Committee notes that it heard a similar measure, H.B. No. 1858, and because of a drafting error, inserted its contents, including changes suggested in written testimony, into the proposed draft.

HYCF, OYS, and the Attorney General offered comments.

Your Committee is aware that HYCF has been under scrutiny and has been evaluated by the Department of Justice Civil Rights Division. Although OYS and HYCF have been aware of these issues, your Committee believes that more assertive action is needed to address the needs of youth who receive services from OYS and HYCF.

Several members of your Committee expressed reservations with regard to this measure because OYS has never received full funding. However, for the betterment of at-risk youth receiving services from OYS and the youth in HYCF, your Committee believes this measure is worthy of further discussion and is open to further amendments, particularly with regard to implementation of the Commission.

Accordingly, your Committee has amended the bill as received by inserting the contents of the proposed draft.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 937, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 937, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Green, Halford and Stonebraker.

**SCRep. 107-06 Water, Land, & Ocean Resources on H.B. No. 2573**

The purpose of this bill is to strengthen watershed management efforts by designating the Kaiaka Bay watershed on Oahu as the site for a pilot watershed and action plan that might serve as a model for statewide use. This bill appropriates \$200,000 to the College of Tropical Agriculture and Human Resources (CTAHR) of the University of Hawaii at Manoa for this undertaking.

The Office of Hawaiian Affairs, Haleiwa Community Gardens Association, Resource Management Systems, and several individuals, including Waialua and Haleiwa residents, testified in support of this bill. CTAHR also supported this measure, provided that the bill's passage does not affect CTAHR's priorities in the Executive Biennium Budget.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2573 and recommends that it pass Second Reading and be referred to the Committee on Higher Education.

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

**SCRep. 108-06 Economic Development & Business Concerns on H.B. No. 3057**

The purpose of this bill is to appropriate funds to the High Technology Development Corporation for the Hawaii Small Business Innovation Research Assistance Program, the Small Business Technology Transfer Program, and the Phase 0 Competition Assistance Program.

The Department of Business, Economic Development, and Tourism, High Technology Development Corporation, Oceanit, EPSCoR Hawaii, and Hawaii Science and Technology Council supported this bill.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3057 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 109-06 Economic Development & Business Concerns on H.B. No. 3060**

The purpose of this bill is to promote and assist the stimulation of a technology industry by establishing a Small Business Technology Transfer Program within the High Technology Development Corporation.



EPSCoR Hawaii, Oceanit, and the Hawaii Science and Technology Council supported this bill.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3060 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 110-06 Economic Development & Business Concerns on H.B. No. 1979**

The purpose of this bill is to ensure that homes, buildings, and facilities in Hawaii are properly maintained by allowing unlicensed contractors to complete projects that cost not more than \$100,000. The current statute allows unlicensed contractors to accept and complete projects that cost not more than \$1,000.

Clark Realty, Blue Sky Realty and Management, Realty and Rentals, Inc., Inoue Hawaii Realty Corporation, Hawaiian Isle Real Estate LLC, Alpha Real Estate and Management Co., Alice Reeves Realty, Landmark Maui Properties, Big Island Brokers, Realtor-Broker, West Oahu Realty, Luke and Associates Realty, Inc., Property Profiles, Cynthia Rubinstein Real Estate, Inc., and numerous other realtors, brokers, and concerned individuals testified in support of this bill. The Hawaii Association of Realtors supported the intent of this bill. The Department of Accounting and General Services, Board of Electricians and Plumbers, Contractors License Board, Associated Builders and Contractors, Inc., Plumbing and Mechanical Contractors Association of Hawaii, Subcontractors Association of Hawaii, Sheet Metal Contractors Association, and Plumbers and Pipefitters Union Local 675 testified in opposition to this measure. The Department of Commerce and Consumer Affairs provided comments on this measure.

The recent boom in Hawaii's construction industry has made it difficult to find contractors willing to undertake small, low-cost, but necessary home and building projects. Increasing the exemption for unlicensed contracting work will benefit home and building owners.

However, your Committee finds that there needs to be further discussion regarding an appropriate amount of increase. Accordingly, your Committee has amended this bill by:

- (1) Replacing the \$100,000 unlicensed contractor exemption cap with a blank amount to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1979, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1979, H.D. 1, and be referred to the Committee on Labor & Public Employment.

Signed by all members of the Committee except Representative Herkes.

**SCRep. 111-06 Economic Development & Business Concerns on H.B. No. 2127**

The purpose of this bill is to encourage high school students to enter into high technology careers by providing a tax credit to qualified high technology businesses who operate cooperative education programs that train and supervise high school students in the high-technology business.

The Hawaii Automobile Dealers' Association submitted testimony in support of this bill. The Department of Education and Hawaii State Teachers Association submitted testimony supporting the intent of this bill. The Department of Taxation and Tax Foundation of Hawaii offered comments on this bill.

Your Committee has amended this bill by:

- (1) Deleting language that provides for recapture of the tax credit if and when the taxpayer no longer qualifies for the credit, as the tax credit is only claimed on an annual basis; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2127, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2127, H.D. 1, and be referred to the Committee on Education.

Signed by all members of the Committee.

**SCRep. 112-06 Economic Development & Business Concerns on H.B. No. 3068**

The purpose of this bill is to promote agriculture within the state by establishing a Kunia Special Agricultural District (District). Specifically, this bill:

- (1) Requires the Board of Land and Natural Resources to transfer all non-agricultural park lands and other public lands in its control within the District to the Agribusiness Development Corporation (ADC);
- (2) Requires the ADC to acquire public and private lands within the District for the development of agricultural projects and project facilities;
- (3) Allows ADC to use funds from the Hawaii Agricultural Development Revolving Fund (Revolving Fund);

- (4) Allows the Director of Finance to invest state funds in linked investments for the purpose of providing agricultural use loans; and
- (5) Appropriates funds into the Revolving Fund for activities relating to the District.

The Hawaii Farm Bureau Federation and C&H Farms testified in support of this bill. The Department of Land and Natural Resources (DLNR) and ADC supported the intent of this measure. The Department of Agriculture (DOA) and Department of Budget and Finance offered comments.

Your Committee has amended this bill by:

- (1) Clarifying that in establishing the District, this bill is not intended to interfere with DLNR's transfer of non-agricultural park lands and related facilities to DOA;
- (2) Providing that the State shall have no liability in the event of a linked investment loan default;
- (3) Enabling the funds appropriated by this bill to be used for the hiring of staff by ADC to develop and implement projects on ADC-controlled lands within the District;
- (4) Adding a savings clause; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3068, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3068, H.D. 1, and be referred to the Committees on Agriculture and Water, Land, & Ocean Resources.

Signed by all members of the Committee.

**SCRep. 113-06 Economic Development & Business Concerns/Transportation on H.B. No. 2877**

The purpose of this bill is to suspend the application of the general excise tax on motor vehicle fuel for two years.

The Hawaii Transportation Association and Robert's Hawaii testified in support of this bill. The Department of Business, Economic Development, and Tourism and Aloha Petroleum, Ltd. supported the intent of this bill. The Department of Taxation and the Tax Foundation of Hawaii provided comments.

As affirmed by the records of votes of the members of your Committees on Economic Development & Business Concerns and Transportation that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2877 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 114-06 Economic Development & Business Concerns/Tourism & Culture on H.B. No. 2421**

The purpose of this bill is to stimulate Hawaii's film, television, and digital media industry by creating a program that allows performing arts qualified high technology businesses to transfer performing arts qualified high technology tax credits back to the State for 20 percent of the face value of the credits, thereby redirecting a higher percentage of local investment dollars toward smaller, independent performing arts qualified high technology businesses.

The Department of Business, Economic Development, and Tourism, the Department of Taxation, and the Department of Research and Development for the County of Hawaii submitted testimony in support of this bill. An individual submitted testimony in opposition to this bill. The Tax Foundation of Hawaii offered comments on the bill.

Your Committees have amended this bill by making technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Economic Development & Business Concerns and Tourism & Culture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2421, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2421, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Herkes.

**SCRep. 115-06 Economic Development & Business Concerns/Energy & Environmental Protection on H.B. No. 2931**

The purpose of this bill is to encourage the production of electricity through renewable means by exempting, from the general excise tax assessment, "eligible customer-generators," individuals who generate their own renewable energy and sell excess amounts to the public utility company.

Hawaiian Electric Company and the Conservation Council for Hawaii testified in support of this bill. The Department of Commerce and Consumer Affairs and the Hawaii Chapter of the Sierra Club submitted testimony supporting the intent of this bill. The Department of Taxation, Public Utilities Commission, Tax Foundation of Hawaii, and an individual offered comments on this bill.

Your Committees have amended this bill by:

- (1) Specifying that the exemption from the general excise tax applies to "eligible customer-generators," who own and operate an alternative energy generating facility that is located on the customer's premises and operated in parallel with and properly connected to the electric public utility's transmission and distribution facilities; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Economic Development & Business Concerns and Energy & Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2931, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2931, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Carroll, Harbin, Herkes, Kanoho, Schatz and Ching.

**SCRep. 116-06 Health on H.B. No. 2811**

The purpose of this bill is to ensure that mutual benefit societies operate for the primary benefit of members and their beneficiaries by providing the Insurance Commissioner with the authority to oversee and regulate certain aspects of the administration of mutual benefit societies.

The Department of Commerce and Consumer Affairs, Hawaii Psychiatric Medical Association, and Hawaii Coalition for Health testified in support of this bill. The Hawaii Association of Health Plans and Hawaii Medical Services Association testified in opposition to this measure. The American Council of Life Insurers commented on this measure.

Currently, the governance of a mutual benefit society is not subject to review by the Insurance Commissioner. The Insurance Commissioner only has jurisdiction over financial solvency and rate regulation issues with regard to mutual benefit societies. Your Committee finds that members of mutual benefit societies are encountering problems with mutual benefit societies as the authority of management is unchecked. This measure attempts to alleviate some of these concerns.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2811 and recommends that it pass Second Reading and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee.

**SCRep. 117-06 Energy & Environmental Protection on H.B. No. 3053**

The purpose of this bill is to create a regulatory incentive to increase the use of energy saving and conservation technologies by:

- (1) Allowing the Public Utilities Commission (PUC) to establish standards that prescribe what portion of the renewable energy standards are to be met by specific types of renewable energy resources, provided that at least 50 percent of the renewable portfolio standards are met by qualifying renewable energy, as opposed to electrical energy savings by various renewable displacement technologies; and
- (2) Changing the definition of "renewable energy" to limit the inclusion of energy efficiency technologies (EET) to when there is no energy efficiency portfolio standard.

The Consumer Advocate, PUC, Hawaiian Electric Company, Inc., Maui Electric Company, Hawaii Electric Light Company, and Rocky Mountain Institute testified in support of this measure. The Department of Business, Economic Development, and Tourism, Sierra Club, Hawai'i Chapter, and Hawaii Renewable Energy Alliance supported the intent of this measure. Honolulu Seawater Air Conditioning LLC changed its written testimony in opposition, to support the intent of this measure. The Renewable Energy Working Group of the Hawaii Energy Policy Forum supported the bill in part. The Hawaii Solar Energy Association offered comments.

The law as currently written includes EETs using non-renewable resources in the definition of "renewable energy." Your Committee finds that it is possible for an electric utility to meet the renewable portfolio standard by using various qualifying EETs without any noticeable increase in the state's use of "classic" renewable resources such as wind, wave, solar, geothermal, hydropower, ocean thermal energy conversion, and biomass.

While energy efficiency plays a very important role in reducing Hawaii's dependency on imported fossil fuels, it is the intent of this Committee to set a minimum floor in the renewable portfolio standard that must be met through the use of "classic" renewable resources.

Your Committee also acknowledges the concerns raised by the Hawaii Solar Energy Association, Honolulu Seawater Air Conditioning LLC, and Sierra Club, Hawai'i Chapter, that seawater air-conditioning and solar thermal water heating should not be removed from the definition of "renewable energy," as those technologies use renewable energy, such as seawater and solar energy, in addition to providing electricity savings by displacing the electricity used to perform the same tasks. These are legitimate concerns that should be addressed in subsequent public hearings.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3053 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 118-06 Public Safety & Military Affairs/Water, Land, & Ocean Resources on H.B. No. 2833**

The purpose of this bill is to increase the number of minimum custody housing for inmates, encourage a programs approach to inmate case management, and develop more work opportunities for inmates to benefit the community.

Specifically, this bill:

- (1) Directs the state Department of Public Safety to adopt strict policies regarding program participation by inmates;
- (2) Appropriates funds to increase prison worklines in the community; and
- (3) Authorizes the Hawaii Community Development Authority to contract for minimum security inmate housing at Kalaeloa.

The Coalition for a Drug-Free Hawaii testified in support of the bill. The Department of Public Safety supported the intent of the measure. The Hawaii Community Development Authority opposed sections 2 and 3 of the bill, which authorizes the Department of Public Safety to seek opportunities for the construction of minimum security housing in Kalaeloa. The Community Alliance on Prisons offered comments.

Your Committees find that additional minimum security housing for male and female inmates would allow more inmates to participate in reintegration programs prior to their release into the community. However, there is a long history of community opposition toward the establishment of a correctional facility in Kalaeloa.

Your Committees further note that workline programs, substance abuse treatment, and other vocational and educational programs are shown to be effective in reintegration, but only when inmates make use of them. This bill strengthens the Department's program participation policy, thereby increasing the chances of successful transition of inmates back into the community.

Your Committees have amended this measure by:

- (1) Deleting the provision that authorizes the Department of Public Safety to seek opportunities for the construction of minimum security housing in Kalaeloa; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Public Safety & Military Affairs and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2833, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2833, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Carroll, Lee, Nakasone, Schatz, Souki and Stonebraker.

**SCRep. 119-06 Public Safety & Military Affairs on H.B. No. 2549**

The purpose of this bill is to create a special fund to reimburse the life insurance premiums of members of the Hawaii National Guard and federal military reserves residing in Hawaii for the time period they are deployed to a war zone.

The Hawaii National Guard Association and Hawaii National Guard Enlisted Association testified in support of this bill. The Department of Defense and Chamber of Commerce of Hawaii supported the intent of the bill.

Your Committee feels this bill will provide needed relief should the National Guard and Reserves ever be called to duty in the future.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2549 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Shimabukuro and Stonebraker.

**SCRep. 120-06 Public Safety & Military Affairs on H.B. No. 2998**

The purpose of this bill is to celebrate the return of members of the Hawaii National Guard in the counties of Hawaii, Maui, and Kauai by making an appropriation of \$35,000 to the state Department of Defense (DOD) to assist the United States Organization (USO) with its planned welcome home celebrations.

The DOD, USO Hawaii, and The Chamber of Commerce of Hawaii testified in support of this bill.

Your Committee believes that this bill will provide the necessary funds for "welcome home" celebrations for our soldiers and families who reside on the neighbor islands.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2998 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Stonebraker.

**SCRep. 121-06 Public Safety & Military Affairs/Labor & Public Employment on H.B. No. 2715**

The purpose of this bill is to support our police officers by providing to each police officer an annual allowance for the maintenance and operation of the officer's uniform, equipment, and weapon.

The Hawaii Government Employees Association, State of Hawaii Organization of Police Officers, and several concerned citizens testified in support of this bill. The Department of Personnel Services of the County of Maui, Department of Civil Service of the County of Hawaii, and Department of Human Resources of the City and County of Honolulu opposed this measure. The Department of Budget and Finance testified that it did not support this bill.

Your Committees believe that this bill will provide a means for recruitment and retention that will help alleviate the state's shortage of police officers.

As affirmed by the records of votes of the members of your Committees on Public Safety & Military Affairs and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2715 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Oshiro, Shimabukuro and Stonebraker.

**SCRep. 122-06 Public Safety & Military Affairs/Labor & Public Employment on H.B. No. 2339**

The purpose of this bill is to increase the Civil Defense Vice-Director's salary to the rate of general schedule 15 (i.e., GS 15), or that of a colonel in the United States military.

The Department of Defense testified in strong support of this bill.

Your Committees find that, since the attacks of September 11, 2001, the state civil defense agency has been given added responsibility. The Vice-Director is the sole agent for the State in charge of managing and dispersing over \$80,000,000 in federal grants. Your Committee finds that, to maintain a high level of effectiveness, the Vice-Director of Civil Defense should be paid a salary that reflects the responsibility and duties of the position.

As affirmed by the records of votes of the members of your Committees on Public Safety & Military Affairs and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2339 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Oshiro, Shimabukuro and Stonebraker.

**SCRep. 123-06 Public Safety & Military Affairs/Labor & Public Employment on H.B. No. 2340**

The purpose of this bill is to authorize the Governor to set the salary of the Director of the Office of Veterans' Services (OVS) at an amount not exceeding 74 percent of the salary of the Director of Human Resources Development.

The Department of Defense and the Advisory Board on Veterans' Services testified in support of this bill.

Your Committees find that the present salary of the Director of OVS is not commensurate with the Director's total responsibilities. Moreover, the OVS Director's responsibilities are now more than equivalent to those of a deputy director, overseeing and managing the offices on Oahu, Kauai, Maui, and Hawaii.

Your Committees have amended this measure by:

- (1) Changing the maximum salary percentage to a blank percent to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Public Safety & Military Affairs and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2340, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2340, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Oshiro, Shimabukuro and Stonebraker.

**SCRep. 124-06 Public Safety & Military Affairs/Labor & Public Employment on H.B. No. 2265**

The purpose of this bill is to transfer continuing supervisory and counseling functions of paroled individuals from the Hawaii Paroling Authority to the Department of Public Safety.

The state Department of Public Safety testified in support of the bill with amendments. The Hawaii Paroling Authority did not support the bill.

Your Committees find that the benefits in comparison to the costs, and potential for increased efficiency proposed by this measure warrant further examination.

Your Committees have amended this measure by clarifying the rationale for the transfer.

As affirmed by the records of votes of the members of your Committees on Public Safety & Military Affairs and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2265, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2265, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Oshiro, Shimabukuro and Stonebraker.  
(Representative Stevens voted no.)

**SCRep. 125-06 Public Safety & Military Affairs/Labor & Public Employment on H.B. No. 2131**

The purpose of this measure is to provide police officers with a one-time tax credit to partially reimburse them for the cost of purchasing non-departmental bullet-proof vests.

Specifically, the tax credit reimburses police officers for an amount equal to the difference between the cost of a higher-quality vest and the cost of a department-issued vest.

Your Committee received testimony in support of the bill from the State of Hawaii Organization of Police Officers. Comments on the bill were received from the Legislative Tax Bill Service. The Department of Taxation took no position on the measure.

Your Committee finds that department-issued bullet-proof vests do not adequately withstand the stresses of daily use. For example, an officer's perspiration, weight, and body size are factors that can contribute to the failure of a vest, with the possible result of serious injury to the officer.

This measure assists police officers with the cost of purchasing a higher-quality vest to allow officers to serve the community with the confidence that their vests will properly protect them in the line of duty.

As affirmed by the records of votes of the members of your Committees on Public Safety & Military Affairs and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2131 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Oshiro, Shimabukuro and Stonebraker.  
(Representative Moses voted no.)

**SCRep. 126-06      Public Safety & Military Affairs/Labor & Public Employment on H.B. No. 1999**

The purpose of this bill is to establish a new Department of Civil Defense to which all powers, responsibilities, and functions currently assumed by the state Department of Defense in the areas of civil defense, disaster relief, and emergency planning, preparedness, and response shall be transferred.

The Department of Defense testified in opposition to this bill.

Hawaii's state of readiness to respond to disasters and emergencies is critical to the safety, welfare, and defense of its people. Accordingly, your Committees believe that the proposal to establish a new Department of Civil Defense merits further discussion.

As affirmed by the records of votes of the members of your Committees on Public Safety & Military Affairs and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1999 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Oshiro, Shimabukuro, and Stonebraker  
(Representatives Meyer, Moses and Stevens voted no.)

**SCRep. 127-06      Judiciary on H.B. No. 2521**

The purpose of this bill is to appropriate \$200,000 for the County of Hawaii's Community Anti-Drug Fund.

The County of Hawaii testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2521 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Caldwell.

**SCRep. 128-06      Judiciary on H.B. No. 2625**

The purpose of this bill is to appropriate funds for:

- (1) Hawaii's contribution to the costs of the National Conference of Commissioners on Uniform State Laws (NCCUSL); and
- (2) Registration and travel expenses for the 2006 annual NCCUSL meeting for the Hawaii delegation that includes:
  - (A) The Hawaii Commission to Promote Uniform Legislation (Hawaii Commission);
  - (B) Lifetime members of the NCCUSL who volunteer their services to assist the Hawaii delegation; and
  - (C) The deputy attorney general assigned to the Hawaii Commission.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2625 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Caldwell and Souki.

**SCRep. 129-06      Judiciary on H.B. No. 355**

The purpose of this bill is to improve the grievance process in prisons and jails for incarcerated adult and juvenile offenders, by:

- (1) Establishing a community oversight panel to assist in the resolution of serious grievances; and

- (2) Setting forth minimum requirements for adequate grievance systems.

The Community Alliance on Prisons, A Woman's Voice, International, and numerous concerned individuals testified in support of this bill. The Department of the Attorney General opposed this measure. The Department of Public Safety (DPS) and the Office of Youth Services testified that they did not support this bill.

Your Committee has amended this bill by:

- (1) Changing the name and function of the panel to advisory;
- (2) Expanding the scope of the panel's review, from serious grievances to all grievances;
- (3) Removing the ability of the panel to review records that are privileged or otherwise protected;
- (4) Clarifying that the provisions of this bill concerning juvenile offenders relate to the Department of Human Services (DHS);
- (5) Clarifying that the panel may issue subpoenas in its review of grievances;
- (6) Requiring the panel, in lieu of the minimum requirements for adequate grievance systems, to evaluate and recommend the elements of such a system, for consideration by DPS and DHS for promulgation into their respective grievance policies;
- (7) Inserting an appropriation for the panel;
- (8) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (9) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 355, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 355, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Sonson.

**SCRep. 130-06      Judiciary on H.B. No. 2055**

The purpose of this bill is to provide funding to the Department of the Attorney General for sexual assault services in the state.

The Department of Prosecuting Attorney, City and County of Honolulu and the Sex Abuse Treatment Center submitted testimony in support of this bill. The Department of the Attorney General supported the intent of this bill.

Act 133, Session Laws of Hawaii 2005, provides that the Department of the Attorney General may administer programs for the prevention of sexual violence and protection and treatment of victims of sexual violence. However, Act 133 did not provide funding for these programs. The appropriation in this bill provides funding for these programs, but the bill does not explain that.

Your Committee has amended this bill by:

- (1) Adding a purpose section to explain the purpose of this bill; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2055, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2055, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Sonson.

**SCRep. 131-06      Judiciary on H.B. No. 2418**

The purpose of this bill is to facilitate the ability of the Department of Taxation (DOTAX) to issue assessments for fraudulent tax returns.

DOTAX and the Department of the Attorney General supported this bill. The Tax Foundation of Hawaii provided comments.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2418, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2418, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Caldwell.

**SCRep. 132-06      Judiciary on H.B. No. 2540**

The purpose of this bill is to increase the number of volunteer precinct officials to better serve the voters by increasing their stipend.

The Office of Elections, Association of Clerks and Election Officers of Hawaii, and the League of Women Voters of Hawaii submitted testimony in support of this bill.

Your Committee has amended this bill by:

- (1) Deleting language stating that the appropriation allows the Chief Election Officer to adopt necessary rules; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2540, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2540, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Caldwell.

**SCRep. 133-06      Judiciary on H.B. No. 2565**

The purpose of this bill is to appropriate funds to the Office of Elections (OE) to provide printed and electronic forms of voter registration, voter information, and educational materials for voters in the Korean language.

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

OE has indicated that it currently provides election materials in Chinese, Japanese, and Filipino (Ilocano), as determined by the U.S. Department of Justice using population data from the 2000 census and pursuant to the federal Voting Rights Act.

Your Committee finds that other sizable populations of individuals, including Samoans, Laotians, and Vietnamese, may also benefit from having election materials translated into their respective languages. Accordingly, your Committee has amended this measure by:

- (1) Allowing the Chief Election Officer to use the appropriation to provide voter information, voter registration, and voter educational materials in any language deemed appropriate by the Chief Election Officer; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2565, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2565, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Caldwell.

**SCRep. 134-06      Judiciary on H.B. No. 1840**

The purpose of this bill is to secure continued protection of the state's endangered wildlife by making permanent the laws allowing the establishment of habitat conservation plans, safe harbor agreements, and incidental take licenses.

The Department of Land and Natural Resources, Department of Transportation, Hawaii Agriculture Research Center, and Hawaii Farm Bureau Federation testified in support of this measure.

Your Committee has amended this bill by extending the sunset date on the use of new habitat conservation plans, safe harbor agreements, and incidental take licenses to July 1, 2012.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1840, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 1840, H.D. 1.

Signed by all members of the Committee except Representatives Caldwell, Kanoho and Morita.  
(Representative Thielen voted no.)

**SCRep. 135-06      Energy & Environmental Protection on H.B. No. 2039**

The purpose of this bill is to eliminate the threat to public health posed by toxic chemicals left behind by illegal drug manufacturing by establishing procedures ensuring that these properties are efficiently and promptly decontaminated to make them safe to occupy.

The Honolulu Police Department, Mililani Drug Free, Mililani Town Association, and a concerned individual testified in support of this bill. The Department of Health (DOH) supported the intent of this bill, but suggested that a study should be conducted prior to implementation.

Your Committee has amended this bill by:

- (1) Removing the program under which:
  - (a) Illegal drug manufacturing laboratories are reported to DOH;
  - (b) Illegal drug manufacturing laboratory sites are found unfit for use;
  - (c) Sites are decontaminated; and



- (d) Decontamination contractors are certified;
- (2) Requiring the DOH to adopt, without regard to chapter 91, Hawaii Revised Statutes, and within 90 days of enactment of this bill, interim procedures and guidelines for decontamination and cleanup of known illegal methamphetamine laboratories;
- (3) Requiring the DOH to report to the Legislature before the Regular Session of 2007 an evaluation of:
  - (a) The impact of illegal methamphetamine manufacturing on soil and groundwater;
  - (b) Cleanup procedures employed in the past at actual sites in the state;
  - (c) Appropriate protocol for assessment of the danger of the site and to protect first responders and others;
  - (d) Relevant DOH and Hawaii law enforcement records; and
  - (e) Standards and procedures for cleanup currently used by other states and federal agencies;
- (4) Removing the severability clause;
- (5) Changing the effective date to upon approval; and
- (6) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2039, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2039, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 136-06 Water, Land, & Ocean Resources on H.B. No. 2184**

The purpose of this bill is to protect Hawaii's precious water resources by requiring new golf course developments to use dual line water supply systems so nonpotable water can be used for irrigation.

The Office of Hawaiian Affairs, Board of Water Supply of the City and County of Honolulu, Conservation Council for Hawaii, Windward Ahupua'a Alliance, and a concerned individual testified in support of this bill. The Department of Land and Natural Resources supported the intent of this measure. Earthjustice supported this bill with amendments. The Land Use Research Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Specifying that new golf course developments shall be prohibited from using potable water for irrigation purposes;
- (2) Clarifying that the county boards of water supply shall adopt standards for recycled water, and rules regarding the use of recycled water; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2184, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2184, H.D. 1, and be referred to the Committee on Economic Development & Business Concerns.

Signed by all members of the Committee except Representatives Berg, Morita and Meyer.

**SCRep. 137-06 Water, Land, & Ocean Resources on H.B. No. 2927**

The purpose of this bill is to manage commercial activities that create or threaten to create negative impacts on public health or the environment, or result in user conflicts, by requiring the chairperson of the Department of Land and Natural Resources (DLNR) to adopt rules necessary to determine the number of commercial permits issued for these commercial activities in any near-shore areas under DLNR's jurisdiction, or originating from privately operated facilities.

DLNR and a concerned individual testified in support of this measure. The Hawaii Boaters Political Action Association supported the intent of this measure. Maui Dive Shop, Lahaina Divers Inc., Maui-Molokai Sea Cruises, Trilogy Excursions, Ocean Tourism Coalition, and Aqua Lung Pacific opposed this bill.

Your Committee recognizes that activities allowed in state-controlled near-shore areas is a statewide issue that must be discussed in the context of environmental and economic sustainability. A balance should be struck between the recreational and commercial uses of these near-shore areas.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2927, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2927, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 138-06 Water, Land, & Ocean Resources on H.B. No. 2856**

The purpose of this bill is to ensure that consulting services in archaeology and culture are performed by qualified persons by requiring the Office of the Auditor to conduct a study to determine whether archaeological and cultural consultants should be licensed by the Department of Commerce and Consumer Affairs.

The Department of Land and Natural Resources supported the intent of this bill.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2856 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 139-06 Water, Land, & Ocean Resources on H.B. No. 2397**

The purpose of this bill is to protect Hawaii's natural resources, including its coral reef, by, among other things:

- (1) Requiring vessels that run aground on submerged lands, state shorelines, or state coral reefs to be removed immediately by the owner or operator of the vessel;
- (2) Allowing a state official, upon determination by the Department of Land and Natural Resources (DLNR) that the owner or operator of a grounded vessel cannot achieve a safe and immediate removal of the vessel, to assume control of the vessel and direct its removal to a safer location; and
- (3) Allowing DLNR to take legal action to collect monies for any costs or expenses incurred by DLNR for vessel removal and requiring that such monies be deposited into the Boating Special Fund.

The Office of Hawaiian Affairs, DLNR, Hawaii Audubon Society, and Sierra Club, Hawaii Chapter, supported this bill.

Your Committee notes that at the present time, existing law does not clearly allow the State to mandate that a grounded vessel be removed immediately when it is grounded on a coral reef or when there is imminent danger of the grounded vessel breaking up. In these cases, prompt removal of the vessel is critical, since even a single tidal cycle may drive a grounded vessel much further aground, causing even more damage to the coral reef.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2397 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Evans, Waters and Meyer.

**SCRep. 140-06 Water, Land, & Ocean Resources on H.B. No. 2518**

The purpose of this bill is to ensure public safety while at the same time protecting the State and counties from potentially unlimited liability by making permanent:

- (1) The process by which the State and counties are protected from liability at public beach parks when certain warning requirements, such as signage, are met; and
- (2) The county lifeguard's, the employing county's, and the State's exemptions from liability for any civil damages resulting from the lifeguard's actions on the beach or in the ocean while on duty.

The Department of the Attorney General, Department of Land and Natural Resources, Department of the Corporation Counsel and Honolulu Emergency Medical Services of the City and County of Honolulu, and two members of the Maui County Council supported this bill. The Hawaiian Lifeguard Association supported the intent of this measure. The Consumer Lawyers of Hawaii opposed this bill.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2518 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Evans, Waters and Meyer.

**SCRep. 141-06 Water, Land, & Ocean Resources/Agriculture on H.B. No. 2271**

The purpose of this bill is to clarify the role of the Department of Agriculture (DOA) in carrying out its responsibility of managing certain agriculturally classified public lands under Chapter 166E, Hawaii Revised Statutes (HRS), by authorizing DOA, subject to certain restrictions, to:

- (1) Directly dispose of public lands for agricultural or aquacultural purposes;

- (2) Plan, develop, and manage certain non-agricultural park lands; and
- (3) Negotiate leases for agricultural purposes,

without the prior approval of the Board of Land and Natural Resources (BLNR). Further, the bill:

- (1) Requires BLNR to establish eligibility requirements for each disposition; and
- (2) Sets forth the rights and responsibilities of an institutional lender that holds a security interest in leased lands under Chapter 166E, HRS.

DOA and the Hawaii Agriculture Research Center testified in support of this bill. The Office of Hawaiian Affairs opposed this measure.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2271 and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Berg, Carroll, Chang, Herkes, Waters, Halford, Meyer and Stonebraker.

**SCRep. 142-06      Judiciary on H.B. No. 2286**

The purpose of this bill is to clarify that information maintained by the Child Support Enforcement Agency may be disclosed to persons who are directly involved with the administration and implementation of a program approved by Title IV-E of the Social Security Act, which provides federal funds for foster care and adoption assistance.

The departments of Human Services and the Attorney General submitted testimony in support of this bill.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2286 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Caldwell, Kanoho and Morita.

**SCRep. 143-06      Judiciary on H.B. No. 462**

The purpose of this bill is to change the deadline for political parties to submit its list of election day poll watchers from 10 days to 90 days prior to an election, and require poll watchers to receive instruction and certification prior to service.

The Chief Election Officer of the State Office of Elections, the Deputy County Clerk of Kauai, the Association of Clerks and Election Officers of Hawaii, and the League of Women Voters of Hawaii testified in support of this bill. The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO submitted testimony in opposition to this measure.

Your Committee has amended this bill by:

- (1) Changing the deadline for political parties to submit its list of election day poll watchers from 90 days to 20 days prior to an election;
- (2) Changing the effective date to July 1, 2020; and
- (3) Making technical, nonsubstantive amendments to correct drafting style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 462, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 462, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Sonson.

**SCRep. 144-06      Judiciary on H.B. No. 2539**

The purpose of this bill is to maintain the accuracy of voter registration records by standardizing the Judiciary's reports to the counties concerning persons who are ineligible to vote while imprisoned for a felony. Specifically, this bill:

- (1) Directs the courts to report an adult citizen's felony conviction, acquittal of a felony by reason of insanity, or adjudication of legal incompetence, within 20 days after sentencing or entry of other adjudication, to the county in which the citizen is located; and
- (2) Sets forth minimum information that must be included in the reports.

The Office of Elections and the Association of Clerks and Election Officers of Hawaii testified in support of this bill. The Judiciary opposed this measure.

Your Committee has amended this bill by:

- (1) Deleting the purpose section;
- (2) Limiting the reports to cases involving adult citizens:
  - (A) Convicted of any felony and sentenced to a term of imprisonment; or
  - (B) Adjudged legally incompetent;
- (3) Amending the reporting requirements as follows:
  - (A) Eliminating the requirement that the reports be made via certificate transmittals;
  - (B) Providing that the citizen's name, any known aliases, date of birth, social security number, and residence address or last known residence address be reported to the county to the extent readily ascertainable by the clerk of the court; and
  - (C) For a felon sentenced to imprisonment, requiring copies of the judgment of conviction and sentence and mittimus to be transmitted to the county;
- (4) Removing an outdated reference to suspensions of execution of sentence in the statutory provision prohibiting a felon from voting in an election while imprisoned; and
- (5) Changing the effective date to January 1, 2006, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2539, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2539, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Caldwell.

**SCRep. 145-06      Judiciary on H.B. No. 2779**

The purpose of this bill is to ensure that an individual is not denied state or county services due to the individual's lack of English-language proficiency by making the denial of such services a civil rights violation. This bill also prohibits county agencies, or programs or activities receiving county financial assistance, from discriminating against an individual because of the individual's disability.

The Hawaii Civil Rights Commission, Catholic Charities Hawaii, Domestic Violence Clearinghouse and Legal Hotline, Na Loio – Immigrant Rights and Public Interest Legal Center, and the Inter-Agency Council for Immigrant and Refugee Services testified in support of this bill. The Department of the Prosecuting Attorney of the City and County of Honolulu supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Changing the effective date to January 1, 2006, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2779, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2779, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Caldwell.

**SCRep. 146-06      Judiciary on H.B. No. 1787**

The purpose of this bill is to protect children and improve vehicle safety by establishing a traffic violation for leaving a child unsupervised in a motor vehicle. Specifically, this bill:

- (1) Prohibits leaving a child under the age of nine in a motor vehicle unless supervised by an adult or a minor who is at least 15 years of age;
- (2) Provides immunity from any civil action relating to good faith acts by law enforcement officers, firefighters, and rescue team personnel to remove an unsupervised child from a motor vehicle in a dangerous situation; and
- (3) Requires driver's license examinations to test the applicant's knowledge of the new traffic violation for leaving a child unsupervised in a motor vehicle.

The Department of the Prosecuting Attorney for the City and County of Honolulu, Hawaii Family Forum, Kids and Cars, Kids in Cars, and numerous concerned individuals submitted testimony in support of this bill. Healthy Mothers, Healthy Babies Coalition of Hawaii supported the intent of this measure. The Office of the Public Defender opposed this bill.

Your Committee finds that while this bill is aimed at preventing dangerous situations involving unsupervised children in motor vehicles, the issue of determining the appropriate age at which a child may be safely left unattended, among other considerations, merits further discussion.

Your Committee has amended this bill by:

- (1) Removing the provision making the new traffic violation an absolute liability offense;

- (2) Lowering the age of a person who may supervise a child in a motor vehicle, from 15 years of age to 12;
- (3) Eliminating the provision requiring driver's license examinations to test the applicant's knowledge of the new traffic violation;
- (4) Changing the effective date to January 1, 2006, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1787, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1787, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Caldwell.

**SCRep. 147-06      Judiciary on H.B. No. 1825**

The purpose of this bill is to promote fairness to consumers and remove impediments to commerce dealing with used vehicles by:

- (1) Ensuring that traffic infractions, in addition to any fees incurred for failure to pay the citations, remain the responsibility of the person who owned the vehicle at the time the citation was issued; and
- (2) Permitting the driver's license of the person who was the registered owner at the time the citation was issued to be restricted until outstanding assessments are paid.

The Hawaii Automobile Dealers' Association testified in support of this measure.

Your Committee has amended this bill by:

- (1) Clarifying that the person who owned the vehicle at the time the citation was issued remains responsible for the traffic infraction and any associated fees, even if the vehicle is repossessed by a lien holder noted on the vehicle's certificate of title; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1825, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1825, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Sonson.

**SCRep. 148-06      Judiciary on H.B. No. 1983**

The purpose of this bill is to preserve the rights of litigants for the duration of a civil defense emergency proclaimed by the Governor, by authorizing the Chief Justice of the Hawaii Supreme Court to order the suspension, tolling, extension, or granting of relief from deadlines, time schedules, or filing requirements imposed in civil, criminal, and administrative cases. In addition, this bill:

- (1) Limits the duration of the Chief Justice's order to 30 days, which may be extended by up to two 30-day periods;
- (2) Requires the Chief Justice to give notice of the order to all affected parties, their counsel, and the public; and
- (3) Provides for appeals by persons adversely affected by the Chief Justice's order.

The Judiciary testified in support of this bill. The Consumer Lawyers of Hawaii supported the intent of this measure.

Your Committee notes that concerns were raised over whether this bill may have a limiting effect upon the existing powers of the Hawaii Supreme Court to promulgate rules and regulations relating to court process, practice, procedure, and appeals in all civil and criminal cases under Article VI, Section 7 of the Hawaii State Constitution, and to prevent and correct errors in all courts of inferior jurisdiction where no other remedy is expressly provided by law under section 602-4, Hawaii Revised Statutes (HRS).

Your Committee has amended this bill by:

- (1) Clarifying that the provisions of this bill apply to periods of civil defense emergency proclaimed by the Governor under section 128-7, HRS;
- (2) Specifying that the Chief Justice, as deemed necessary, may modify or extend the 30-day time limit set for the order of suspension of court deadlines during periods of civil defense emergency;
- (3) Changing the effective date to January 1, 2020, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1983, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1983, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Sonson.

**SCRep. 149-06      Judiciary on H.B. No. 2114**

The purpose of this bill is to provide restitution for criminal property damage involving graffiti, by requiring persons determined to have caused graffiti damage to pay the actual cost of having the damaged property repaired or replaced.

The Honolulu Police Department and a concerned individual testified in support of this bill. The Department of the Prosecuting Attorney of the City and County of Honolulu supported the intent of this measure. The Office of the Public Defender opposed this bill.

Your Committee has amended this bill by:

- (1) Transferring the provision of this measure applying to criminal offenders, from chapter 708, Hawaii Revised Statutes (HRS), relating to offenses against property rights, to chapter 706, HRS, relating to the disposition of convicted defendants; and
- (2) Amending the effective date to January 1, 2020, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2114, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2114, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Sonson.

**SCRep. 150-06      Judiciary on H.B. No. 2207**

The purpose of this bill is to protect victims of sexual assault by reenacting provisions that define:

- (1) What behavior constitutes the crime of continuous sexual assault of a minor under the age of 14 years; and
- (2) What constitutes the unanimity that is required to convict a person of this crime.

The Department of the Attorney General, Department of the Prosecuting Attorney of the City and County of Honolulu, County of Hawaii Police Department, Hawaii Hotel & Lodging Association, Hawaii Family Forum, Hawaii Catholic Conference, Sex Abuse Treatment Center, and a concerned individual testified in support of this measure. The Office of the Public Defender opposed this measure.

Your Committee has amended this bill by:

- (1) Changing the effective date to upon ratification of constitutional amendments authorizing the Legislature to define what behavior constitutes a continuing course of conduct in sexual assault crimes committed against minors under the age of 14; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2207, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2207, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Caldwell, Kanoho and Morita.

**SCRep. 151-06      Judiciary on H.B. No. 2303**

The purpose of this bill is to streamline the child support enforcement process by:

- (1) Allowing income withholding to continue when child support terminates and there are outstanding support payments owed; and
- (2) Enabling the Child Support Enforcement Agency (CSEA) to adopt administrative rules as necessary to implement the income withholding requirements.

The Attorney General testified in support of this measure.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2303, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2303, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Caldwell, Kanoho and Morita.

**SCRep. 152-06      Judiciary on H.B. No. 439**

The purpose of this bill is to facilitate the investigations of the Office of the Ombudsman, by authorizing the Ombudsman or an authorized representative to access tax returns and return information in connection with the Ombudsman's official duties.

The Office of the Ombudsman testified in support of this bill. The Department of Taxation (DoTax) opposed this measure. The Tax Foundation of Hawaii offered comments.

Your Committee finds that while the intent of this bill is to assist the Ombudsman in carrying out its official investigations, concerns have been raised over the impact this measure may have on the confidentiality of taxpayer information, which is provided by law. Furthermore, there remains the issue of whether to obtain the prior concurrence of the Internal Revenue Service, with whom DoTax shares taxpayer information under a mutual agreement to maintain the privacy of that information. In the hopes of generating further discussion on this bill, your Committee urges DoTax to make itself available at any further hearings on this measure to provide oral testimony and answer specific questions.

Accordingly, your Committee has amended this bill by:

- (1) Changing the effective date to January 1, 2006, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 439, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 439, H.D. 1.

Signed by all members of the Committee except Representative Caldwell.

**SCRep. 153-06      Judiciary on H.B. No. 440**

The purpose of this bill is to further ensure that members of the public are able to address and resolve their grievances with the state government by enabling the Office of the Ombudsman to investigate complaints about Executive Branch programs and services regardless of whether they are delivered directly by a governmental agency or through a contract with a private agency. Specifically, this bill:

- (1) Expands the Ombudsman's jurisdiction to include contractual acts of private providers who are regulated by the laws relating to the purchase of health and human services under chapter 103F, Hawaii Revised Statutes (HRS); and
- (2) Includes noncompliance with contractual terms as an appropriate subject for investigation.

This bill also renames the Ombudsman's First Assistant to the Deputy Ombudsman.

The Office of the Ombudsman, American Civil Liberties Union of Hawaii, Community Alliance On Prisons, and two concerned individuals testified in support of this measure. The State Procurement Office offered comments.

Your Committee has amended this bill by:

- (1) Expanding the definition of "private provider" to mean any entity that provides health or human services under contract to an agency, whether or not covered by Chapter 103F, HRS; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 440, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 440, H.D. 2.

Signed by all members of the Committee except Representative Caldwell.

**SCRep. 154-06      Judiciary on H.B. No. 649**

The purpose of this bill is to toughen the criminal penalties imposed on individuals who repeatedly commit insurance fraud by including felony insurance fraud offenses among the felony violations that are subject to mandatory minimum sentencing under the criminal repeat offender statute.

The Attorney General and the Department of Commerce and Consumer Affairs testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 649, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Caldwell.

**SCRep. 155-06      International Affairs/Energy & Environmental Protection on H.B. No. 1888**

The purpose of this bill is to promote international cooperation and the role of Hawaii in the development of renewable energy resources by requiring the Department of Business, Economic Development, and Tourism (DBEDT) to:

- (1) Work with the global community to initiate, develop, and exchange research and technology on renewable energy resources;
- (2) Coordinate the state's involvement in national and international efforts to promote, investigate, and develop the use of renewable energy resources; and
- (3) Promote the state as an active participant and leader in renewable energy development and research in the Pacific Basin.

DBEDT, the Wave Dragon Company, Ocean Power Delivery Ltd., and two concerned individuals testified in support of this bill.

As affirmed by the records of votes of the members of your Committees on International Affairs and Energy & Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1888 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Harbin, Schatz, Sonson and Waters.

**SCRep. 156-06 Water, Land, & Ocean Resources/Agriculture on H.B. No. 1928**

The purpose of this measure is to grant the Board of Land and Natural Resources additional leeway in:

- (1) Amending commercial, hotel, industrial, and agricultural leases of public lands by negotiation; and
- (2) Permitting the disposition by lease of public lands for agricultural purposes to encourage competition within the agricultural industry.

The Board of Land and Natural Resources testified in opposition to this measure stating that there was great demand for agricultural lands and opposed extending agricultural leases by negotiation. Testimony in support of this measure was submitted by the Hawaii Agriculture Research Center, Springer Development Incorporated, and International Longshore and Warehouse Union, Local 142.

Your Committees amended this measure by deleting the inappropriate addition of "agricultural leases" to section 171-41.5, Hawaii Revised Statutes, which is restricted to commercial, hotel, and industrial leases. Your Committees note that the amendment for direct negotiations of agricultural leases is retained in section three of this measure.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1928, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1928, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Carroll, Chang, Herkes, Waters, Halford, Meyer and Stonebraker.

**SCRep. 157-06 Water, Land, & Ocean Resources/Public Safety & Military Affairs on H.B. No. 2442**

The purpose of this bill is to prevent the closure of military installations due to encroachment of civilian urban growth by requiring notification to the commanding officer of a military installation of any application for county zoning changes and any petition for state land use district boundary amendments of land near a military installation.

The Department of Defense testified in support of this bill. The Land Use Research Foundation of Hawaii opposed this measure. The Department of Planning and Permitting of the City and County of Honolulu and The Chamber of Commerce of Hawaii offered comments.

Your Committees have amended this bill by deleting:

- (1) The requirement that county notification must take place not less than 60 days prior to the earliest administrative hearing on the application;
- (2) The provision that failure of the commanding officer to respond to a county or state notification shall not presume that the application or petition will have no adverse effects on the military installation; and
- (3) The requirement that the commanding officer of the military installation shall have an opportunity to intervene in petitions for state district boundary amendments.

Your Committees have further amended this bill by narrowing the definition of "military installation" to a military base, airport, or camp.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Public Safety & Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2442, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2442, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Carroll, Lee, Morita, Schatz, Souki and Stonebraker.

**SCRep. 158-06 Human Services/Health on H.B. No. 3144**

The purpose of this bill is to improve the State Pharmacy Assistance Program (Program) by, among other things:

- (1) Expanding the income eligibility requirements to individuals with household incomes at or below 200 percent of the federal poverty level (FPL) and deleting the asset test for eligibility;
- (2) Requiring the Department of Human Services (DHS) to provide enrollees with information about Medicare prescription drug plans;
- (3) Repealing provisions relating to prescription drug rebates;
- (4) Requiring Program applicants to apply for the federal Medicare part D pharmacy benefit program;



- (5) Mandating the coverage of all Medicare part D premium and other costs by the Program, for person's enrolled in the Program with incomes of up to 150 percent of the FPL; and
- (6) Mandating that the Program pay a portion of Medicare part D costs for persons in the Program with household incomes between 150 and 200 percent of the FPL.

Longs Drug Stores supported this bill with an amendment. DHS supported the intent of this measure.

Your Committees have amended this bill by:

- (1) Reinstating provisions relating to prescription drug rebates;
- (2) Reinstating the Program asset test;
- (3) Adjusting Program eligibility requirements to apply to individuals with household incomes at or below 150 percent of the FPL;
- (4) Removing the requirement that DHS provide counseling on Medicare prescription drug plans to enrollees;
- (5) Removing the requirement that Program applicants apply for the federal Medicare part D pharmacy benefit program;
- (6) Removing the requirement that the State pay Medicare part D costs for certain Program members;
- (7) Providing that the Program may pay all or some of the copayments under the Medicare part D program for persons with household incomes of not more than 150 percent of the FPL, subject to the availability of Program funds; and
- (8) Making technical, nonsubstantive amendments for clarity, style, and consistency.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3144, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3144, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 159-06 Housing/Water, Land, & Ocean Resources on H.B. No. 2242**

The purpose of this bill is to promote the development of affordable housing by requiring the Land Use Commission (LUC), the counties, Hawaii Housing Finance and Development Administration, Hawaii Public Housing Administration, and Hawaii Community Development Authority to require developers with plans to develop 50 or more residential dwelling units to dedicate at least 20 percent of the units to affordable housing.

The Sierra Club, Hawaii Chapter, Affordable Housing and Homeless Alliance, and a concerned individual testified in support of this bill. The Housing and Community Development Corporation of Hawaii, City and County of Honolulu Department of Planning and Permitting, and Land Use Research Foundation of Hawaii offered comments.

Your Committees engaged in a productive discussion with regard to this matter and acknowledge the concerns of several members. Some of the concerns raised include that the measure does not specify what is considered "affordable" and that the public works law may also need to be addressed to lower the labor costs of developing affordable housing. Concerns were also raised that once affordable housing is built, something should be done to keep the units at affordable prices.

Your Committees received extensive written testimony that included data on some of the housing development projects over the past 15 years that asked for relief from LUC with regard to affordable housing requirements.

Your Committees acknowledge and share some of the concerns raised by members and testifiers, believe that this measure deserves further discussion, and respectfully requests the Committee on Judiciary to consider further amendments to this measure.

Accordingly, your Committees have amended this bill by:

- (1) Changing the effective date to July 1, 2007, to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Housing and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2242, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2242, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Arakaki, Carroll, Kawakami, Sonson and Halford.

**SCRep. 160-06 International Affairs/Economic Development & Business Concerns on H.B. No. 1890**

The purpose of this bill is to statutorily establish a process relating to the recognition of a sister-state or province relationship with Hawaii. Specifically, this measure establishes Hawaii sister-state committee that will make recommendations to the Legislature on initiating, maintaining, and if necessary, dissolving sister-state relationships.

The Department of Business, Economic Development, and Tourism (DBEDT) testified in support of this bill.

Your Committees find sister-state relationships are most effective and worthwhile when members of the business community, art and cultural institutions, academia, and other groups in the community become active stakeholders. In 2005, DBEDT recommended that to assure the productivity and viability of a sister-state relationship, the State would need to establish a rigorous selection process which includes:

- (1) Reformation of the Hawaii sister-state committee; and
- (2) Reutilization of the sister-state application form developed by the Office of International Relations.

In addition, your Committees believe that implementing this recommendation strengthens all current and future sister-state relationships.

As affirmed by the records of votes of the members of your Committees on International Affairs and Economic Development & Business Concerns that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1890 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Marumoto and Thielen.

**SCRep. 161-06 Labor & Public Employment on H.B. No. 2002**

The purpose of this bill is to require the Oversight Council of the Hawaii Employers' Mutual Insurance Company (HEMIC) to use the State Auditor to:

- (1) Review the activities of HEMIC; and
- (2) Determine and report whether HEMIC is fulfilling its express statutory purposes.

The ILWU Local 142, Hawaii State Teachers Association, Vocational Management Consultants, Inc., International Association of Rehabilitation Professionals, Rehabilitation Association of Hawaii, TJK Rehabilitation Services, Lynn C. Fox & Associates, Inc., and several concerned individuals testified in support of this bill. The Department of Commerce and Consumer Affairs and HEMIC testified in opposition to this measure. The Department of Labor and Industrial Relations commented on this bill.

In oral testimony given by HEMIC, it was alleged that the State Auditor did not have the skill and training to conduct an audit of HEMIC. Your Committee has confirmed that the State Auditor would retain outside assistance in conducting an audit of HEMIC should it be tasked with conducting such an audit.

Although your Committee understands that HEMIC is audited annually by one of Hawaii's leading independent audit firms and that the Government Oversight Council of HEMIC is charged with reviewing HEMIC's activities, a number of concerns raised by various individuals claiming that HEMIC has unfair competitive advantages warrants close scrutiny of HEMIC's activities by the State Auditor.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2002 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives M. Oshiro and Souki.

**SCRep. 162-06 Labor & Public Employment on H.B. No. 2211**

The purpose of this bill is to assist injured workers by deleting language that unnecessarily prolongs the workers' compensation process.

The Department of Labor and Industrial Relations, Hawaii State Teachers Association, ILWU, Local 142, Hawaii Insurers Council, and Hawaii Employers' Mutual Insurance Company, Inc., testified in support of this bill.

Your Committee finds that the implementation of Act 11, Special Session Laws of Hawaii 2005 (Act 11), had the unintended consequences of prolonging the workers' compensation claims and treatment process. Act 11 defined the terms "day" or "days" to mean working days rather than calendar days. This switch from calendar days to business days had the unintended consequence of delaying payment of claims or decisions on contested claims often resulting in an injured worker waiting longer to receive treatment. This measure attempts to correct this oversight.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2211 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives M. Oshiro and Souki.

**SCRep. 163-06 Labor & Public Employment on H.B. No. 1797**

The purpose of this bill is to:

- (1) Remove the maximum age restriction on the unemployment insurance contribution exemption for children who are employed by a parent; and
- (2) Lower the maximum taxable wage base for contributions to the unemployment insurance fund to the federal minimum of \$7,000 for the 2006 and 2007 calendar years.

The Department of Labor and Industrial Relations testified in support of lowering the maximum taxable wage base and commented on removing the maximum age restriction. The ILWU Local 142 testified in opposition to this measure.

Currently, the unemployment trust fund contains approximately \$457 million. Your Committee notes that with a surging economy and one of the lowest unemployment rates in the nation, payment of unemployment claims has had a minimal impact upon the current balance of the unemployment trust fund. By lowering the maximum taxable wage base for contributions to the unemployment insurance fund, your Committee believes that businesses, especially small businesses, will receive tax relief that will allow further stimulation of the economy as these businesses use their cost savings for expanded growth without jeopardizing the stability of the fund.

Your Committee also finds that many children, particularly those working in family-owned businesses, continue to work in the employ of their parents after reaching the age of 21. Removing the maximum age restriction on the unemployment insurance contribution exemption for children who are employed by a parent will further assist these businesses.

Your Committee has amended this measure by:

- (1) Deleting language inadvertently left in the measure that restricted the maximum age on the unemployment insurance contribution exemption for children who are employed by a parent to children under 21 years of age, to conform the bill to its original purpose; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1797, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1797, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Oshiro and Souki.

**SCRep. 164-06 Energy & Environmental Protection on H.B. No. 1971**

The purpose of this bill is to improve efficiency in the operations of the Natural Energy Laboratory of Hawaii Authority (NELHA) by providing NELHA with more flexibility in its procurement process. Specifically, this bill exempts NELHA from compliance with the public procurement code under Chapter 103D, Hawaii Revised Statutes, unless required by a project agreement, provided that it adopts a conflict of interest policy.

The Executive Director of NELHA testified in support of this bill. The State Procurement Office opposed the bill. The Department of Accounting and General Services commented on the measure.

Members of your Committee raised concerns regarding the perception of government secrecy and unfair competition among businesses and the general public, regarding a quasi-governmental body housed on public lands. However, your Committee also recognizes that the daily operations of NELHA and the business and research activities that occur on its campus are unlike a typical governmental agency. Therefore, your Committee believes that this measure deserves further discussion in subsequent committees despite the concerns raised. Further, your Committee also finds that rather than allowing NELHA to adopt a conflict of interest policy based on a disclosure form that the Legislature should just require NELHA to follow a specified policy.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1971 and recommends that it pass Second Reading and be referred to the Committee on Economic Development & Business Concerns.

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

**SCRep. 165-06 Health on H.B. No. 1915**

The purpose of this bill is to reduce the financial strains faced by state residents by exempting from general excise tax assessments, amounts received for medical services, with certain exceptions.

The Healthcare Association of Hawaii and Klein Chiropractic Center supported this bill. The Department of Taxation submitted comments.

Your Committee finds that the cost of living in Hawaii is exceptionally high when compared to other states in the country. Your Committee realizes that healthcare is not a luxury or even an option and therefore should not be heavily taxed, especially when people are struggling to make ends meet. Due to the high cost of healthcare, state residents may forego early treatment only to return with a much more serious medical condition that will inevitably leave the State with the responsibility of paying for the treatment.

In an effort to reduce the taxable amounts on medical services while avoiding abuses, your Committee has amended this bill by prohibiting tax exemptions for elective cosmetic medical or dental surgery.

Technical, nonsubstantive changes were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1915, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1915, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 166-06 Health on H.B. No. 1993**

The purpose of this bill is to improve the availability of mental health care services for patients statewide by establishing and appropriating funds for a one-year pilot telepsychiatry project at the University of Hawaii to serve certain locations around the state.

The Hawaii Psychological Association, Hawaii Health Systems Corporation, and Hawaii Psychiatric Medical Association testified in support of this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1993, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1993, H.D. 1, and be referred to the Committee on Higher Education.

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

**SCRep. 167-06 Health on H.B. No. 2415**

The purpose of this bill is to assist working families by establishing a refundable tax credit for their food, medical service, and nonprescription drug expenses.

The Office of the Governor, Department of Taxation (DOTAX), Department of Human Services, Hawaii Food Industry Association, Honolulu Community Action Program, Inc., and Hawaii Reserves, Inc., testified in support of this measure. The Tax Foundation of Hawaii offered comments.

Your Committee respectfully requests that DOTAX:

- (1) Develop a plan to inform the public, such as through a public notice campaign, of the tax credit, including the procedure required to claim it; and
- (2) Create an "automatic escalator" to allow the amount of the tax credit to increase in conjunction with the cost of living.

Your Committee has amended this bill by:

- (1) Requiring DOTAX to submit to the Legislature an annual report of the profiles of individuals claiming the tax credit;
- (2) Establishing a sunset date of July 1, 2010, for the tax credit; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2415, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2415, H.D. 1, and be referred to the Committee on Economic Development & Business Concerns.

Signed by all members of the Committee except Representatives Cabanilla, Hale and Halford.  
(Representative Sonson voted no.)

**SCRep. 168-06 Health on H.B. No. 2401**

The purpose of this bill is to ensure the health and safety of all patients by:

- (1) Prohibiting medical health insurers from excluding coverage for injuries sustained by insured persons as a result of intoxication from alcohol or narcotics; and
- (2) Appropriating funds to establish a pilot "Screening, Briefing, Intervention, Referral, and Treatment" program in Hawaii.

The Office of the Lieutenant Governor, Department of Commerce and Consumer Affairs, Department of Health, Department of Human Services, Hawaii Psychiatric Medical Association, Mothers Against Drunk Driving Hawaii, Hawaii Substance Abuse Coalition, and two concerned individuals testified in support of this measure. Kaiser Permanente supported the intent of this measure. The American Family Life Assurance Company of Columbus offered comments.

Your Committee notes that a concern was raised regarding why health insurance coverage can be obtained for a person who was driving while under the influence, but cannot be obtained if a person shows up at the workplace under the influence. Your Committee accordingly notes that the Committee on Labor & Public Employment may need to review the provisions of this bill.

Your Committee has amended this bill by:

- (1) Designating the University of Hawaii John A. Burns School of Medicine as the expending agency for the appropriated funds; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2401, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2401, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 169-06 Health on H.B. No. 3142**

The purpose of this bill is to sustain currently available trauma care resources by requiring the Department of Human Services (DHS) to distribute Disproportionate Share Hospital payments to The Queen's Medical Center (Center), under the condition that the amount of the Disproportionate Share Hospital payments represent 50 percent of the amount of funds provided to the Center for fiscal year 2005-2006.

The Center supported this bill. DHS, Department of Health, Healthcare Association of Hawaii, and Hawaii Pacific Health opposed this bill.

Although your Committee fully recognizes the importance of providing adequate financial resources for trauma centers in Hawaii, your Committee notes that serious concerns were raised regarding the funding mechanism contained in this bill.

In light of these concerns, your Committee has amended this bill by deleting its contents and inserting provisions that:

- (1) Establish the Trauma Care Fund to provide reimbursements for documented costs of uncompensated care incurred by a trauma center; and
- (2) Specify dedicated sources of revenue for the Trauma Care Fund.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3142, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3142, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

**SCRep. 170-06 Health on H.B. No. 2321**

The purpose of this bill is to reduce healthcare costs by reforming the healthcare liability system to resolve healthcare liability claims and to compensate injured patients by, among other things:

- (1) Implementing a cap of \$250,000 in medical tort actions; and
- (2) Limiting the contingency fee that an attorney can claim in a medical tort action.

The Department of Commerce and Consumer Affairs; Department of Health; Hawaii Medical Association; Kaiser Permanente; American College of Obstetricians and Gynecologists, Hawaii Section; Healthy Mothers, Healthy Babies; Hawaii Psychiatric Medical Association; and Hawaii Association of Health Plans testified in support of this bill. The Consumer Lawyers of Hawaii opposed this measure.

Your Committee has amended this bill by:

- (1) Limiting the \$250,000 maximum award to medical tort actions against obstetricians, obstetrician gynecologists, and trauma care providers;
- (2) Requiring the Insurance Commissioner to submit a report to the Legislature no later than 20 days prior to the convening of the Regular Session of 2010 with regard to the implementation of this measure;
- (3) Adding a repeal date of July 1, 2010; and
- (4) Making other technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2321, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2321, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

**SCRep. 171-06 International Affairs/Economic Development & Business Concerns on H.B. No. 2199**

The purpose of this bill is to prohibit binding the State to government procurement rules contained in an international trade agreement without legislative action.

Public Citizen Global Trade Watch supported this bill. The Department of Business, Economic Development, and Tourism submitted comments.

Your Committees have amended this bill by:

- (1) Changing the chapter of the Hawaii Revised Statutes (HRS) to be amended from Chapter 26, HRS, to Chapter 103D, HRS;
- (2) Excluding from the definition of "international trade agreement" memoranda of agreement made by the State with a foreign country or its sub-national entities to which the United States is not a party; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on International Affairs and Economic Development & Business Concerns that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2199, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2199, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 172-06 Human Services on H.B. No. 2370**

The purpose of this bill is to protect the health and safety of disabled individuals receiving general assistance payments. This bill provides emergency appropriations of \$416,718 for fiscal year 2005-2006 to ensure that general assistance payments are maintained at the maximum benefit level of \$418 per month per eligible recipient through June 30, 2006.

The Department of Human Services testified in support of this bill.

Without the emergency appropriation, general assistance payments during the last quarter of this fiscal year to 3,850 recipients will drop to \$391 per month.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2370 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 173-06 Human Services/Health on H.B. No. 2362**

The purpose of this bill is to provide open, unrestricted access to medications for Medicaid clients who suffer from human immunodeficiency virus, acquired immune deficiency syndrome, or hepatitis C, or who need immunosuppressives as a result of organ transplants, by exempting physicians under QUEST medical plans from preauthorization procedures when prescribing these medications.

The Department of Human Services, Hawaii Disability Rights Center, Gay and Lesbian Education and Advocacy Foundation, and a concerned individual testified in support of this bill. The Hawaii Medical Service Association offered comments.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2362 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 174-06 Labor & Public Employment on H.B. No. 1892**

The purpose of this bill is to ensure that employees receive fair compensation for the entire length of disability by requiring that injured employees continue to receive temporary total disability (TTD) benefits until the Director of Labor and Industrial Relations (Director) decides to terminate benefits.

ILWU Local 142, Hawaii Government Employees Association, Hawaii State Teachers Association, Hawaii Chapter of the American Physical Therapy Association, Hawaii State AFL-CIO, and numerous concerned individuals testified in support of this bill. The Department of Labor and Industrial Relations, Department of Human Resources Development, Hawaii Insurers Council, and Society for Human Resource Management, Hawaii Chapter, opposed this measure. Hawaii Employers' Mutual Insurance Company, Inc., offered comments.

Your Committee finds that injured workers may be left without medical care while waiting for a decision on disability benefits to be rendered, causing further pain and injury. Interruptions of TTD benefits can negatively impact the financial and psychological state of injured employees.

However, your Committee is concerned that this bill does not specify whether the employee must reimburse the employer in cases where the Director's decision on TTD benefits is ultimately rendered against the employee. Further discussion is necessary to determine fair and appropriate changes to existing policies and procedures for TTD benefits.

Accordingly, your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1892, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1892, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

**SCRep. 175-06 Labor & Public Employment on H.B. No. 2310**

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

- (1) Allows former contributory plan members whose accumulated contribution balances are more than \$1,000 to leave their contributions in the ERS until they reach the age of 62;
- (2) Requires the filing of accidental and ordinary death benefit claims within three years of a member's death;
- (3) Allows former employees with vested contributory plan rights to withdraw their contributions at any time;
- (4) Allows the Board of Trustees of the ERS to use limited liability companies as an investment vehicle;
- (5) Establishes a deadline for employer contributions and requires payment of interest by the employer on late contributions for members who are called to active military duty;
- (6) Clarifies that ordinary death benefits are payable to a beneficiary if a member with vested status dies before they are eligible to retire while on active military duty;
- (7) Gives members who are out of state on active military duty additional time to make the Hybrid Plan election;
- (8) Eliminates the June 30, 2006, deadline by which members must claim noncontributory plan membership service in order for such service to be eligible for conversion to the Hybrid Plan membership service since no ruling has yet been received from the Internal Revenue Service;
- (9) Clarifies selection and irrevocability of beneficiary designations under survivor retirement options;
- (10) Clarifies that the computation of non-tax qualified benefits for highly compensated individuals includes the member's class of service as of June 30, 2004; and
- (11) Amends and adds various definitions for consistency and conformity.

The Board of Trustees of the ERS testified in support of this bill.

Your Committee notes that various "housekeeping" amendments to the ERS are necessary to clarify and conform existing statutes to current practice, as well as to meet federal regulations that may have been recently amended which will impact the ERS.

Your Committee has also been informed that the county clerks for the counties of Hawaii and Kauai are currently allowed to claim membership in the ERS as class A members while the Directors of the Office of Council Services for the City and County of Honolulu and County of Maui are not accorded this same privilege. As these officials perform the same legislative support function as county clerks, they should be afforded this privilege. Accordingly, your Committee has amended this measure by:

- (1) Inserting language classifying the director of the Office of Council Services for the City and County of Honolulu and County of Maui as class A members if the individual was in service prior to July 1, 2006; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2310, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2310, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative M. Oshiro.

**SCRep. 176-06 Water, Land, & Ocean Resources on H.B. No. 3046**

The purpose of this bill is to protect the valuable biological diversity and biological resources of the State by:

- (1) Requiring prior informed consent before obtaining access to genetic resources or biological diversity from public lands;
- (2) Establishing a system of fair and equitable sharing of benefits arising out of the use of genetic resources;
- (3) Creating a temporary advisory committee on biological diversity; and
- (4) Appropriating an unspecified amount to the Department of Land and Natural Resources (DLNR) for the temporary advisory committee to create rules regarding informed consent and benefit sharing.

The Office of Hawaiian Affairs, Sierra Club, Hawai'i Chapter, 'Ahaui Siwila Hawaii O Kapolei, Waikiki Hawaiian Civic Club, Queen Emma Civic Club, King Kamehameha Hawaiian Civic Club, and numerous concerned individuals testified in support of this measure. The Department of Business, Economic Development, & Tourism, DLNR, University of Hawai'i, and Hawaii Science & Technology Council supported the intent of the measure. The Environmental Center of the University of Hawai'i provided comments.

Your Committee finds that H.B. No. 3046 establishes a temporary commission to develop a public policy to regulate bioprospecting, and H.B. No. 3069 provides a statutory framework for the use of Hawai'i's biological resources for research and commercial development. Your Committee believes that these two bills should be considered together in one legislative vehicle.

Accordingly, your Committee has amended this bill by inserting the provisions of H.B. No. 3069 to:

- (1) Require DLNR to create a permitting system for the collection of biological resources from Hawaii;
- (2) Require DLNR to implement an electronic database for the processing and tracking of collection permits;
- (3) Provide for the use of revenues from the licensing of certain biological resources; and

- (4) Appropriate \$250,000 to DLNR to implement the database.

Your Committee has also amended this bill by:

- (1) Increasing the number of members on the temporary commission from 10 to 11, adding the Chairperson of the Board of Regents of the University of Hawaii or the Chairperson's designee;
- (2) Changing the definition of "public lands" to include lands held by the University of Hawaii and the Hawaii Housing Finance and Development Administration; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3046, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3046, H.D. 1, and be referred to the Committees on Economic Development & Business Concerns and Agriculture.

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

**SCRep. 177-06 Human Services on H.B. No. 2044**

The purpose of this bill is to support former foster youth that are most at-risk, by appropriating funds to the Office of Youth Services (OYS) to provide assistance to former foster youth between the ages of 18 and 24 for job placement, skills training, education, and housing.

The Office of Hawaiian Affairs and Catholic Charities Hawaii testified in support of this bill. OYS supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Specifying that the appropriation is to assist former foster youth who are formally adjudicated and reach the age of majority while under the custody and supervision of the Executive Director of OYS; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2044, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2044, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 178-06 Housing on H.B. No. 2240**

The purpose of this bill is to pursue innovative means of providing affordable housing close to employment areas by directing the Department of Accounting and General Services (DAGS) and the Hawaii Housing Finance and Development Administration to:

- (1) Develop a plan for the State to enter into public/private partnerships to construct affordable housing on or adjacent to planned state facilities; and
- (2) Enter into a public/private partnership to build at least 100 affordable housing units on state-owned property in Iwilei, Oahu.

The Affordable Housing and Homeless Alliance and the Hawaii Association of Realtors testified in support of this bill. The Housing and Community Development Corporation of Hawaii supported the intent of this measure. DAGS offered comments.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2240 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kawakami, Sonson, Halford and Pine.

**SCRep. 179-06 Labor & Public Employment on H.B. No. 2237**

The purpose of this bill is to assist substitute teachers of the Department of Education (DOE) by:

- (1) Establishing a separate collective bargaining unit for substitute teachers, including part-time substitute teachers working less than one-half of a full-time equivalent position; and
- (2) Providing for impasse resolution for members of the new collective bargaining unit.

The Hawaii State Teachers Association (HSTA) testified in support of the intent of this measure. DOE and the Hawaii Government Employees Association opposed this measure. The Department of Human Resources Development and Office of Collective Bargaining offered comments.

Substitute teachers provide a valuable service to the State's educational system. However, these individuals are currently without any form of representation within the public school system. It has been brought to the attention of your Committee that substitute teachers are at



times treated differently by school administrators and their peers depending upon the situation at the public school to which the substitute is assigned. Substitute teachers were also recently forced to file a class action lawsuit to recover back pay from DOE.

Your Committee finds that these problems may have been avoided if substitute teachers had proper representation through a collective bargaining unit. The creation of such a unit for substitute teachers would allow for fair and equal representation and give them the ability to collectively bargain for better working conditions.

However, your Committee is also cognizant of the fact that many individuals work for DOE, as well as other departments, on a part-time basis and that allowing part-time substitute teachers the benefits of collective bargaining may be unfair to other part-time employees of the State. Your Committee also recognizes the concerns raised by HSTA regarding the inclusion of retirees who are hired as substitute teachers in this new collective bargaining unit. Accordingly, your Committee has amended this measure by:

- (1) Excluding from the new collective bargaining unit:
  - (A) Retirees of DOE who are hired as substitute teachers; and
  - (B) Part-time substitute teachers working less than one-half of a full-time equivalent position;
- (2) Expanding the scope of the new collective bargaining unit to include all part-time employees working more than 20 hours a week who are not members of a collective bargaining unit; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2237, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2237, H.D. 1, and be referred to the Committee on Education.

Signed by all members of the Committee.

**SCRep. 180-06 Labor & Public Employment on H.B. No. 2450**

The purpose of this bill is to improve Hawaii's workers' compensation system by:

- (1) Requiring the application of all Medicare fee schedules, rather than just the Medicare Resource Based Value Scale, to workers' compensation claims beginning January 1, 2007;
- (2) Requiring workers' compensation insurers to identify overall cost savings and apply them to rates on new and renewal policies issued between February 1, 2007, and January 31, 2010; and
- (3) Establishing a six-month moratorium on workers' compensation insurance rate increases.

The Hawaii Chapter, American Physical Therapy Association testified in support of this bill. The Hawaii State Chiropractic Association and Hawaii Employers' Mutual Insurance Company testified in support of the intent of this measure. The Hawaii Medical Association opposed this bill. The Department of Labor and Industrial Relations, ILWU Local 142, and Hawaii Insurers Council offered comments.

Your Committee finds that access to workers' compensation care can be limited in Hawaii. While there are many reasons for this, inequity in medical reimbursement has been problematic for some medical providers causing them to no longer provide medical services for workers' compensation cases.

Workers' compensation insurance premiums for employers have also risen. Expanding the workers' compensation fee schedule to include all Medicare fee schedules provides equity across the medical provider community while appropriately controlling medical costs, while establishing a mechanism for the return of worker's compensation cost savings in the form of lower premiums helps employers.

However, your Committee notes that requiring the Insurance Commissioner to effect a six-month moratorium on workers' compensation insurance premium rate increases may have an adverse impact on the ability of insurers to underwrite workers' compensation policies. Accordingly, your Committee has amended this measure by:

- (1) Deleting language requiring the Insurance Commissioner to effect a six-month moratorium on workers' compensation insurance premium rate increases; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2450, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2450, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

**SCRep. 181-06 Labor & Public Employment on H.B. No. 2629**

The purpose of this bill is to improve the efficiency of the workers' compensation system by:

- (1) Requiring the Department of Labor and Industrial Relations (DLIR) to establish standardized medical excuse and workers' compensation claim routing forms;
- (2) Requiring the timely processing and payment of health care provider bills; and

- (3) Establishing that an injured worker's claim progress notes and necessary authorization submitted by a health care provider is sufficient proof for payment to a health care provider.

ILWU Local 142 and a concerned individual testified in support of this bill. The Hawaii Chapter, American Physical Therapy Association and Hawaii State Chiropractic Association testified in support of the intent of this measure. The Department of Human Resources Development, Hawaii Insurers Council, and Hawaii Employers' Mutual Insurance Company opposed this bill. The Department of Labor and Industrial Relations offered comments.

The delivery of medical services for workers' compensation claims continues to be a problematic feature of the workers' compensation system. Your Committee notes that employers, employees, insurers, and health care providers have experienced problems that have delayed the delivery of medical care. Standardizing medical excuse and workers' compensation routing forms, as well as establishing a time frame for timely payment to health care providers, will help alleviate some of these problems.

However, your Committee understands the concerns raised by several individuals that the time frame established in this measure may be unrealistic. Accordingly, your Committee has amended this measure by:

- (1) Deleting references to a specific number of days for the processing and payment of bills to health care providers;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2629, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2629, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

**SCRep. 182-06 Labor & Public Employment on H.B. No. 315**

The purpose of this bill is to assist police officers in recovering costs incurred when appearing in court as a state witness. Specifically, this measure:

- (1) Entitles a police officer who testifies or is compelled to be available as a state witness under a subpoena when off-duty to overtime compensation; and
- (2) Requires the State to reimburse the counties for 50 percent of the overtime compensation paid.

The Honolulu Police Department testified in support of this measure. The Department of Civil Service of the County of Hawaii and Department of Personnel Services of the County of Maui opposed this measure. The Department of Budget and Finance offered comments.

Testimony at a trial is an integral part of the judicial system that oftentimes requires police officers to appear in court during off-duty hours. Many of these appearances are in an official capacity and occur when the police officer is serving as a witness for the State. Your Committee finds that this often places a financial burden, not only on the police officer, but also on the overtime budget of each county police department.

However, your Committee understands the concerns raised by public employers that this measure may have an adverse impact upon the collective bargaining process. Accordingly, your Committee has amended this measure by:

- (1) Clarifying that overtime pay for a police officer who testifies or is compelled to be available as a state witness under a subpoena when off-duty shall only apply if:
  - (A) Overtime compensation for such purpose is allowed by a collective bargaining agreement; and
  - (B) The police officer appears in court in an official capacity as a police officer;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 315, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 315, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 183-06 Labor & Public Employment on H.B. No. 2778**

The purpose of this bill is to enhance access to government services for persons with limited English-language proficiency. Among other things, this measure requires all state departments, government agencies and programs, and any other governmental unit to provide language assistance to individuals who face language barriers.

The Victim/Witness Assistance Division of the Department of the Prosecuting Attorney of the County of Maui, Center for Second Language Research, Domestic Violence Clearinghouse and Legal Hotline, Catholic Charities Hawaii, Inter-Agency Council for Immigrant Services, Na Loio Immigrant Rights and Public Interest Legal Center, Region XII Chapter of the National Federation of Filipino American Associations, Gumil Hawaii, Oahu Filipino Community Council, Nursing Advocates and Mentors, Inc., Filipino Social Workers of Hawaii,

American Cancer Society, Philippine Nurses Association-Hawaii Chapter, Filipino Coalition for Solidarity, Filipino Women's Civic Club, Filipino Business Women's Association, Laoag City Circle of Hawaii, Sakada Foundation, and concerned individuals testified in support of this bill. The Department of Labor and Industrial Relations (DLIR) and Hawaii Civil Rights Commission (HCRC) supported the intent of this measure. The Asian American Network for Cancer Awareness, Research, and Training submitted comments.

Persons who do not speak English as a primary language compose a significant portion of Hawaii's population. Many of these individuals contribute to our economy, educate their children in our schools, and make valuable contributions to the life of our state. However, many individuals with limited English proficiency sometimes have difficulty obtaining services from state agencies because of their limited ability in the English language. Your Committee finds that we must strive to ensure that all residents of Hawaii, including non-English speakers and limited-English speakers, enjoy full access to and participation in the life of our community.

Although Executive Order No. 13166 attempts to improve access to federally conducted and assisted programs and activities for persons who, as a result of national origin, are limited in their English proficiency, a number of individuals stated that many state agencies are not complying with this order. This situation is disturbing.

However, your Committee understands the concerns raised by DLIR with respect to the administration of this program being placed within HCRC. While your Committee is uncertain whether this type of program belongs in DLIR, it would like this matter to receive further consideration and respectfully requests the Committee on Judiciary to evaluate the placement of such a program within DLIR.

Your Committee has amended this measure by:

- (1) Affirming the Legislature's position that the State of Hawaii must comply with federal Executive Order No. 13166;
- (2) Removing oversight and administration of this program from the HCRC and placing it under the purview of DLIR; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2778, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2778, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Shimabukuro.

#### **SCRep. 184-06      Tourism & Culture on H.B. No. 1818**

The purpose of this bill is to encourage events that bring family members together for recreational activities by allowing a minor, through the minor's representative, to release a motorsports facility and its owners, operators, or promoters, from liability for negligence in the event the minor is injured in an event involving the facility.

The Department of Parks and Recreation of the County of Hawaii, Street Bikers United Hawaii, and Maui Chapter of Street Bikers United Hawaii testified in support of this bill. The Consumer Lawyers of Hawaii opposed this measure.

As affirmed by the record of votes of the members of your Committee on Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1818 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Abinsay and Tsuji.

#### **SCRep. 185-06      Tourism & Culture on H.B. No. 2965**

The purpose of this bill is to strengthen Hawaii's families by:

- (1) Establishing a temporary commission responsible for arranging the commemoration of the "Year of the Family" in 2008;
- (2) Creating a trust fund to be used by the Commission for the commemoration of the "Year of the Family"; and
- (3) Appropriating \$75,000 for the commission to complete its tasks.

The Church of Jesus Christ of Latter-day Saints in Hawaii, Hawaii Family Forum, and The Ohana Project testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2965 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

#### **SCRep. 186-06      Consumer Protection & Commerce on H.B. No. 2968**

The purpose of this bill is to even the playing field between lenders with credit card businesses in this state, and lenders with credit card businesses located out-of-state, by providing that the 18 percent limit on credit card interest only applies to the simple interest numeric periodic rate and does not apply to credit card fees.

The Hawaii Bankers Association, Hawaii Financial Services Association, and Hawaii Credit Union League supported the measure.

Your Committee finds that federal law gives banks the right to export the usury law of their state to other states. However, local lenders can only export what Hawaii defines as "interest." In Hawaii, "interest" includes fees, and is limited to 18 percent. This allows Hawaii banks to charge both simple interest and fees on the mainland without worry about the laws of another state. The result, however, is that their fees are limited to 18 percent, which disadvantages them in comparison to their mainland counterparts.

Your Committee finds that removing fees from the usury cap will help banks keep their credit card businesses in Hawaii and increase their competitiveness in the American credit card industry. Your Committee also notes that this bill requires credit card companies to disclose both interest rates and fees to the consumer.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2968 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Kanoho and Stonebraker.

**SCRep. 187-06 Consumer Protection & Commerce on H.B. No. 2256**

The purpose of this bill is to deter the use of "phishing," "spyware," and other methods of fraudulently gaining information about a computer user or control of a person's computer, by:

- (1) Establishing the offenses of unauthorized installation of software, fraudulent inducement to install software, and inducement for unlawful use of computer;
- (2) Allowing the Attorney General or the county prosecuting attorney to seek up to \$2,500 per violation of the law; and
- (3) Authorizing private action to recover \$5,000 per violation or triple the amount of damages caused, whichever is greater.

Three concerned citizens testified in support of this measure.

Your Committee heard testimony that phishing and the use of spyware, activities targeted by this bill, are not uncommon events. Phishing involves the use of fraudulent websites and electronic mail to obtain a victim's personal, financial, or account and password information. Spyware is software installed on a computer through methods such as electronic mail or pop-up ads, without the user's knowledge or consent. Spyware may be used to obtain information about the victim through the victim's computer use, or may disable or control the victim's computer.

Your Committee finds that there is a sufficient risk to consumers from spyware and other forms of malicious software, and as such, protections are necessary.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2256 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Kanoho, Morita and Stonebraker.

**SCRep. 188-06 International Affairs on H.B. No. 2293**

The purpose of this bill is to provide the courts with some flexibility in the advisement given to defendants of the effect of criminal conviction on their alien status.

The Department of the Attorney General supported this bill.

Under current law, the advisement must be read exactly as written in section 802E-2, Hawaii Revised Statutes. Your Committee finds that the current requirement can lead to a miscommunication problem for persons whose primary language is not English.

Your Committee respectfully requests your Committee on Judiciary to further review these requirements to ensure that the defendants will be advised of their rights in a manner that is fair and understandable.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2293 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Sonson.

**SCRep. 189-06 Water, Land, & Ocean Resources on H.B. No. 2515**

The purpose of this bill is to promote public safety and protect government entities from potentially unlimited liability by making permanent the process by which the State and counties are provided protection from liability for dangerous natural conditions on improved public lands, such as state parks and trails, when certain warning requirements, including signage, are met.

The Department of the Attorney General, Department of Land and Natural Resources (DLNR), City and County of Honolulu, and two members of the Maui County Council supported this bill. The Consumer Lawyers of Hawaii opposed this measure.

Your Committee notes that it seriously considered holding this measure because:

- (1) DLNR, in response to inquiries, confirmed that only about 75 percent of the requirement for signage has been met;
- (2) The repeal date for the liability protections and signage requirements is not until two years hence, on June 30, 2008; and

- (3) It may be more appropriate to allow another year of assessment before making the liability protections and signage requirements permanent.

Passage of this measure with a defective date would provide an opportunity for further discussion.

Accordingly, your Committee has amended this measure by changing its effective date to July 1, 2020, to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2515, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2515, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Evans, Waters and Meyer.

**SCRep. 190-06 Human Services on H.B. No. 1815**

The purpose of this bill is to improve the delivery of child protective services by requiring the Department of Human Services (DHS) to make a good faith effort and establish procedures to locate, identify, and interview extended family members of a child for possible foster custody placement of the child.

DHS and a concerned individual testified in support of this measure. The Office of Hawaiian Affairs opposed this measure. Kokua Ohana offered comments.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1815 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 191-06 Energy & Environmental Protection/Agriculture on H.B. No. 1946**

The purpose of this measure is to protect the environment and public health by regulating the use of hazardous waste in fertilizer.

Specifically, the measure: establishes standards on toxic metals and other contaminants in fertilizers; establishes a process to register fertilizers with the State of Hawaii; and requires full regulation of waste derived fertilizer in Hawaii.

The Conservation Council of Hawaii, Safe Food and Fertilizer, and a concerned citizen submitted testimony in support of this measure, and the Hawaii Chapter of the Sierra Club supported the intent of this bill. The Department of Health, Hawaii Farm Bureau, and the Hawaiian Alliance for Responsible Technology and Science opposed this measure.

Your Committees find that this measure will put in place much needed standards and procedures for the regulation of hazardous wastes in fertilizer. Currently, there are no regulations regarding the sale, distribution, and use of fertilizers, soil amendments, and liming materials within our State.

Your Committees have amended this measure by:

- (1) Inserting a purpose clause to provide historical context and to clarify the legislative intent of this measure; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1946, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1946, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Chang, Harbin, Herkes, Waters and Stonebraker.

**SCRep. 192-06 Energy & Environmental Protection/Agriculture on H.B. No. 2308**

The purpose of this bill is to establish a framework of integrated measures to encourage and support market-based development of reliable, cost-effective, and self-sustaining energy systems.

Your Committees have narrowed and redirected the focus of the bill to include the following energy efficiency and sustainability measures:

- (1) Establishing a biofuel preference in Hawaii's procurement law for diesel and boiler fuel purchases;
- (2) Developing priority processing of state agency permits for renewable energy projects;
- (3) Establishing renewable fuel standards for highway fuel demand;
- (4) Extending to December 31, 2009, the repeal date of section 237-27.1, Hawaii Revised Statutes, which provides an exemption for the sale of alcohol fuels from the imposition of general excise taxes;
- (5) Establishing a public benefits fund to support demand-side management and renewable energy programs;
- (6) Requiring a re-evaluation of utility fuel adjustment clauses;

- (7) Establishing a methodology of calculating a fixed price for renewable energy power or renewable fuel for power production;
- (8) Establishing incentives and penalties relating to renewable portfolio standard requirements;
- (9) Establishing the Hawaii renewable hydrogen program and the hydrogen investment capital special fund and appropriating funds therefor;
- (10) Clarifying the role of the director of business, economic development, and tourism as Hawaii's chief business advocate and state energy resources coordinator; and
- (11) Providing funding for an inventory of state lands available for renewable energy, assistance to the agricultural community for renewable energy development, a statewide multi-fuel biofuels production assessment, and assistance to state agencies in meeting energy efficiency goals for state facilities and vehicles

Accordingly, your Committees have amended this bill by:

- (1) Deleting provisions pertaining to:
  - (A) The Fair Gasoline Price Law, chapters 486H and 486J, Hawaii Revised Statutes;
  - (B) Energy efficient and alternative fuel vehicles for state covered fleets;
  - (C) The issuing of special license plates for energy efficient and alternative fuel vehicles;
  - (D) Energy efficiency in state facilities and vehicles, including provisions related to design standards; the prevention of heat gain and cool air loss in certain residential facilities; solar water heating system installation; waste reduction, conservation increase, and pollution prevention; the use of life cycle cost-benefit analysis in purchasing energy efficient equipment; and transportation fuel;
  - (E) The repeal of various provisions of chapter 196, Hawaii Revised Statutes, relating to energy resources for government agencies; and
  - (F) The renewable energy tax credit sunset date and credit amounts;
- (2) Amending the definition of "biofuel" to clarify that non-petroleum sources include plant- and animal-based sources;
- (3) Authorizing, rather than requiring, the Public Utilities Commission to establish the public benefits fund;
- (4) Deleting from the public benefit fund language regarding the volumetric charge to customers to support demand-side management and renewable energy programs and services that meet the requirements of Section 269-92, Hawaii Revised Statutes;
- (5) Deleting the proposed funding source section for the public benefits fund;
- (6) Requiring the proposed comprehensive inventory of state lands available for renewable energy to include an inventory of offshore areas available for renewable energy;
- (7) Adding renewable energy from other organic types of waste streams, such as municipal solid waste, to the types of renewable energy projects that may be developed by the agricultural community;
- (8) Amending the definition of "renewable energy" for purposes of the renewable portfolio standards law;
- (9) Amending the purpose clause of the bill to conform with the foregoing amendments; and
- (10) Making technical, nonsubstantive amendments for purposes of clarity, style, and consistency.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2308, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2308, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Higher Education.

Signed by all members of the Committee except Representatives Chang, Harbin, Herkes, Waters and Stonebraker.

**SCRep. 193-06 Energy & Environmental Protection on H.B. No. 3218**

The purpose of this bill is to ensure that activities relating to genetically modified organisms do not pose a risk to public health or the environment in the State.

Specifically, this bill requires any person who proposes to research, test, propagate, cultivate, grow, or produce a genetically modified organism in the State to notify the Department of Health of its intent and to obtain a certification of approval from the Department of Health. This bill also requires the Department to examine and evaluate each proposal involving activity relating to genetically modified organisms to be carried out in the State and to issue a certification, to be made available to the public at the Department or on its website, only if it determines that the activity does not pose a risk to the public health or the environment. Finally, the bill defines terms, prescribes the contents of the certification, and requires the Department of Health to adopt rules.

Your Committee finds that, in December 2005, the Office of the Inspector General of the United States Department of Agriculture issued a scathing report criticizing the Department's regulation of genetically modified organism field releases. The report shows the United

States Department of Agriculture often lacks even the most basic information and awareness of these activities, leading to widespread violations and disorder. These revelations directly contradict the United States Department of Agriculture's previously repeated claims that it is adequately regulating genetically modified organisms.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3218 and recommends that it pass Second Reading and be referred to the Committees on Economic Development & Business Concerns and Agriculture.

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

**SCRep. 194-06      Transportation on H.B. No. 1807**

The purpose of this bill is to increase highway safety by requiring that the State, any political subdivision of the state, and private contractors working on or repairing a public highway post signs warning motorists of the presence of steel plates placed in the roadway.

A member of the Maui County Council, Hawaii Asphalt Paving Industry, Street Bikers United Hawaii, the Maui Chapter of Street Bikers United, and a concerned individual testified in support of this bill. The Department of Transportation supported the intent of this measure.

Steel plates used at construction projects along roadways and highways pose a hazard to motorists and motorcyclists, especially during inclement weather. Your Committee finds that appropriate warning signs placed at these locations will help reduce the threat of this hazard.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1807 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 195-06      Transportation on H.B. No. 1812**

The purpose of this bill is to protect the health, safety, and welfare of the general public. Among other things, this bill:

- (1) Establishes a photo red light imaging detector systems program to improve enforcement of traffic-signal laws;
- (2) Allows county implementation of photo red light imaging detector systems programs;
- (3) Authorizes fines collected under county-administered programs to be deposited into a general fund account; and
- (4) Authorizes funds from this general fund account to be expended in the county in which the fine was collected for the establishment, operation, management, and maintenance of a photo red light imaging detector systems program.

The Department of the Prosecuting Attorney of the City and County of Honolulu, Honolulu Police Department, Hawaii Insurers Council, State Farm Mutual Automobile Insurance Company, and a concerned individual testified in support of this bill. The Office of the Public Defender and a concerned individual opposed this measure. The Judiciary and Catrala-Hawaii commented on this bill.

Your Committee finds that the prevalence of drivers violating Hawaii's traffic-signal laws, especially on the island of Oahu, has become intolerable. These violations endanger the lives of motorists and pedestrians and compound the already hazardous conditions on Hawaii's roads and highways. Many senseless tragedies occur nationwide and on Hawaii's roadways because of drivers running red lights. In fact, according to the Insurance Institute for Highway Safety, more than 900 people were killed and an estimated 168,000 injuries occurred nationwide in crashes involving red light running in 2004. This measure will help curb such dangerous activities in Hawaii and protect the health, safety, and welfare of the people of this state.

Your Committee realizes that HPD needs time to study possible systems for implementation and that funding is necessary for this program to be implemented. Moreover, your Committee notes that concerns with language regarding the presumption that the registered owner of the motor vehicle is the driver of the motor vehicle is beyond the purview of your Committee on Transportation and thus your Committee respectfully requests that the Committee on Judiciary scrutinize this language.

Your Committee has amended this measure by:

- (1) Clarifying that information contained in the summons or citation mailed in accordance with provisions of the photo red light imaging detector system program constitutes prima facie evidence that the registered owner of the motor vehicle was the person who committed the violation;
- (2) Clarifying that intentional disclosure or provision of personal and confidential information obtained from a photo red light imaging detector system to any unauthorized person or agency shall be subject to a fine;
- (3) Deleting the requirement of a return receipt when a summons or citation is sent by certified or registered mail by the county;
- (4) Specifying that a receipt from the post office that the summons or citation was mailed is prima facie evidence of notification to the registered owner;
- (5) Inserting language allowing a registered owner to rebut evidence presented against the registered owner by identifying the driver of the vehicle at the time of the offense;
- (6) Appropriating an unspecified amount of funds for the implementation of the photo red light imaging detector systems program;

- (7) Changing the effective date to July 1, 2008, to facilitate further discussion; and
- (8) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1812, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1812, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Caldwell, Ito, Nakasone and Shimabukuro.

**SCRep. 196-06      Transportation on H.B. No. 1901**

The purpose of this bill is to increase pedestrian safety by establishing a two-year pedestrian flag pilot project within the Department of Transportation (DOT) that will provide flags at crosswalks for pedestrians to use when crossing the street.

Mililani Neighborhood Board No. 25 and several concerned individuals testified in support of this bill. DOT testified that it did not support this measure.

Statistics from the National Highway Traffic Safety Administration indicate that in 2005, Hawaii recorded 36 pedestrian fatalities, 13 of which occurred while the pedestrian was in a marked crosswalk. These recent increases in pedestrian fatalities have prompted the Legislature to search for innovative ways to enhance pedestrian safety, such as a pedestrian flag project. While your Committee understands the cost implications such a project may have, the safety of Hawaii's pedestrians is of the utmost concern.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1901 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 197-06      Transportation on H.B. No. 1904**

The purpose of this bill is to increase traffic safety in and around public schools by requiring the Department of Education (DOE) to conduct a traffic study and develop a plan to decrease hazardous traffic conditions at all public schools.

The Department of Transportation (DOT), DOE, Mililani Neighborhood Board No. 25, and several concerned individuals testified in support of this bill.

Many dangerous traffic conditions exist at and around Hawaii's schools. Your Committee finds that while a majority of the problems eliciting concern over these traffic conditions occur at the ingress and egress to schools, other hazardous conditions exist within a school's parking and drop-off areas that further compound the problem. This traffic study is a first step to enhancing student safety and will also have the added benefit of Federal Safer Routes to School Program currently being implemented by DOT.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1904 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 198-06      Transportation on H.B. No. 1953**

The purpose of this bill is to enhance traffic and pedestrian safety by requiring that:

- (1) Flashing yellow lights be placed near driveways of all public schools; and
- (2) Traffic control signals be placed at all crosswalks around public schools and elderly housing projects.

The Kailua Neighborhood Board and concerned individuals testified in support of this bill. The Department of Transportation supported the intent of this measure.

Pedestrian safety has been a growing concern in Hawaii. Recent pedestrian accident tragedies, along with the increasing number of pedestrians being injured or killed over the last several years, point to a need to increase pedestrian safety. Your Committee finds that areas around schools and elderly housing areas are places that are more susceptible to serious accidents. It is the hope that by installing flashing yellow lights near school driveways and traffic control signals at crosswalks around schools and elderly housing areas will enhance traffic and pedestrian safety.

While your Committee recognizes that other areas besides driveways may serve as an access to and from a school and that there are tremendous cost implications involved in carrying out the purposes of this bill, public safety is the primary concern of this measure and therefore deserves further discussion. Your Committee respectfully requests the Committee on Judiciary evaluate the implications of broadening the scope of this measure.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1953 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Nakasone.



**SCRep. 199-06      Transportation on H.B. No. 2234**

The purpose of this bill is to reduce excessive noise produced by exhaust systems of motor scooters by:

- (1) Prohibiting dealers from selling motor scooters with a muffler or exhaust system that emits an unspecified number of decibels; and
- (2) Including motor scooters under the noisy muffler law currently applicable to mopeds and motorcycles.

Loud motor vehicle mufflers have been a serious problem affecting many neighborhoods throughout the state, especially densely populated areas such as Ala Moana and Waikiki on the island of Oahu. This is especially pronounced in the late evening and early morning hours.

As several members of your Committee voiced complaints they have received from their constituencies regarding loud motor scooters, your Committee finds that this measure deserves further consideration.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2234 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 200-06      Transportation on H.B. No. 2264**

The purpose of this bill is to provide an environmentally friendly strategy for the lighting of Hawaii's streets and highways by requiring the State and counties to install fully shielded lighting fixtures when installing new or replacement outdoor lighting units used on highways and streets.

A member of the Maui County Council testified in support of this bill. The Department of Transportation opposed this measure. The Department of Design and Construction of the City and County of Honolulu offered comments on this bill.

Your Committee finds that the use of fully shielded lighting fixtures will conserve energy and resources while maintaining appropriate outdoor lighting suitable for safety, utility, and security and are currently in use on the H3 freeway. These types of fixtures are also environmentally friendly.

However, your Committee realizes that it is not feasible for such fixtures to be installed as single units when current lighting units need to be replaced. Accordingly, your Committee has amended this measure by:

- (1) Specifying that the installation of fully shielded lighting fixtures shall only apply when installing new outdoor lighting units used on highways or streets; and
- (2) Making technical nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2264, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2264, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 201-06      Transportation on H.B. No. 2655**

The purpose of this bill is to enhance traffic safety by:

- (1) Requiring the Department of Transportation (DOT) to establish Multidisciplinary Accident Investigation Teams (MAITs) to conduct expeditious investigations of serious accidents on major roadways; and
- (2) Appropriating funds for the establishment of MAITs.

The Representative of the 42nd District and several concerned individuals testified in support of this bill. DOT supported the intent of this measure. The Honolulu Police Department testified in opposition to this bill.

On-site investigations of accident scenes and their resultant lane closures cause numerous problems for commuters, including secondary accidents and traffic delays. Recent traffic incidents have caused delays lasting from between two to eight hours. Your Committee finds that MAITs are used in many other cities of comparable size across the country and that through the use of these teams, as well as photogrammetric computer systems, accident scene investigation times showed a significant reduction, providing quicker relief to commuters.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2655 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 202-06      Transportation on H.B. No. 2214**

The purpose of this bill is to assist the motor vehicle rental industry by reducing from \$3.00 to \$2.00 per day, the rental motor vehicle surcharge tax that was levied for the period between September 1, 1999, to August 31, 2007.

Catrala-Hawaii testified in support of this bill. The Department of Transportation (DOT) and Department of Taxation (DOTAX) testified in opposition to this measure. The Tax Foundation of Hawaii commented on this bill.

Act 223, Session Laws of Hawaii 1999, temporarily raised the motor vehicle rental surcharge tax from \$2.00 to \$3.00 per day for the period between September 1, 1999, to August 31, 2007, to temporarily bolster lagging general fund revenues during difficult economic times. However, your Committee finds that with Hawaii's recent economic growth the increase in the vehicle rental surcharge tax is no longer needed.

Your Committee understands the concerns raised by DOT and DOTAX that the surcharge reduction will result in approximately \$17.4 million in lost revenues for the remaining 13-month period of the surcharge. However, your Committee believes that it is fair and appropriate to reduce the surcharge at this time. Your Committee finds that the fiscal implications this measure may have are beyond its purview and that it is more appropriate for the Committee on Finance to discuss these implications.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2214 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Caldwell, Nakasone and Shimabukuro.

**SCRep. 203-06      Transportation on H.B. No. 2244**

The purpose of this bill is to allow motor vehicle lessors to visibly pass on to the lessee any third party concession fees where the third party is an entity other than the Department of Transportation.

Cendant Car Rental Group, Inc., and The Hertz Corporation testified in support of this bill. The Department of Commerce and Consumer Affairs testified in opposition to this measure.

Currently, motor vehicle lessors are able to recover concession fees (payments by a vehicle rental company to a third party for the right to do business at a particular location) at Hawaii airports. Your Committee finds that other locations where rental car companies do business are also subject to concession fees and that rental car companies should be allowed to recover these concession fees as long as the rental car company itemizes the concession fee charged to the lessee on their bill.

Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2244 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce. [*sic*]

Signed by all members of the Committee.

**SCRep. 204-06      Transportation on H.B. No. 2735**

The purpose of this bill is to support and promote the historical preservation of the Hana Highway by appropriating funds to post signs identifying each bridge on the Hana Highway.

The Department of Transportation testified in support of this bill. A concerned Hana resident supported the intent of this measure.

Your Committee finds that Hana Highway is a historic roadway and adding signage identifying the bridges along the highway will improve its historical preservation.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2735 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 205-06      Hawaiian Affairs on H.B. No. 3216**

The purpose of this bill is to ascertain the feasibility of deploying alternative energy resources to the island of Kaho'olawe, by directing the Auditor to submit findings and recommendations to the Legislature and Governor, including feasible alternative energy resources, cost analysis, assessment, an implementation strategy for the use of alternative energy resources to address the current and future energy needs of the island, and any proposed legislation.

Maui Memorial Hospital Auxiliary testified in support of this bill.

Your Committee has amended this bill by:

- (1)      Requiring the Auditor to also identify infrastructure and transportation needs of Kaho'olawe relating to alternative energy resources in its findings to the Legislature and Governor; and
- (2)      Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3216, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3216, H.D. 1, and be referred to the Committees on Energy & Environmental Protection and Legislative Management.

Signed by all members of the Committee except Representatives Harbin, Waters and Finnegan.

**SCRep. 206-06 Education on H.B. No. 1884**

The purpose of this bill is to support the continued delivery of educational services at Hoa Aina O Makaha Cultural Learning Center (Center) by appropriating funds for a teaching position at the Center.

Two concerned individuals testified in support of this bill. The Department of Education supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1884 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Harbin, Kahikina and Waters.

**SCRep. 207-06 Public Safety & Military Affairs/Tourism & Culture on H.B. No. 2000**

The purpose of this bill is to promote public safety and welfare by:

- (1) Allowing the various counties to enact more stringent fireworks laws; and
- (2) Restricting the sale or use of non-aerial common fireworks on the Fourth of July in counties with a population of over 500,000.

The State Fire Council, Honolulu Fire Department, Fire Department of the County of Hawaii, and Honolulu Police Department testified in support of this bill. The Hawaii Food Industry Association and Legislative Information Services of Hawaii opposed this measure.

Your Committees find that statewide statistics reveal a significant increase in fire, police, and emergency medical incidents on Oahu over the last two years that create health and safety concerns for the public and strain the resources of these agencies. Also, fire risks rise on the Fourth of July because of dry vegetation during the summer months.

As affirmed by the records of votes of the members of your Committees on Public Safety & Military Affairs and Tourism & Culture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2000 and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Abinsay, Tsuji and Stonebraker.

**SCRep. 208-06 Energy & Environmental Protection on H.B. No. 1941**

The purpose of this bill is to require the Public Utilities Commission (PUC) to apply a progressive block rate structure for residential consumers that charges a higher rate to consumers with a monthly consumption of over 500 kilowatt hours (kWh) than to consumers with a monthly consumption of 500 kWh or less starting no later than December 31, 2007.

The Conservation Council for Hawai'i testified in support of this bill. The PUC supported the intent of this bill, offering comments and concerns. The Consumer Advocate, Hawaiian Electric Company, Inc., Maui Electric Company, Ltd., and Hawaii Electric Light Company, Inc., commented on this measure.

Your Committee has amended this bill by:

- (1) Removing the requirement that the PUC obtain approval and implement a progressive block rate structure no later than December 31, 2007;
- (2) Requiring the PUC to investigate the tier rate structure at the time an electric utility files an application for a rate increase; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1941, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1941, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 209-06 Energy & Environmental Protection on H.B. No. 2503**

The purpose of this measure is to broaden the conditions under which a vehicle may be considered "derelict" to include vehicles "abandoned" under section 290-1, Hawaii Revised Statutes.

The bill also removes the condition that a vehicle be ten years old or older in order to be considered derelict and updates references to the soon to be defunct Housing and Community Development Corporation of Hawaii (Corporation) with the Hawaii Public Housing Administration (Administration).

Your Committee finds that "derelict" vehicles may be removed by the county in which the vehicle is located, or by the Corporation/Administration, if the derelict vehicle is located on property under the jurisdiction of the Corporation/Administration.

After due consideration regarding the proposed amendments with respect to derelict vehicles, your Committee has amended the bill by deleting the amendment that broadens the conditions under which a vehicle may be considered "derelict" by including vehicles "abandoned" under section 290-1, Hawaii Revised Statutes. Thus, as amended, the bill only deletes the existing requirement that the derelict vehicle be ten model years old or older.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2503, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2503, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Harbin, Kanoho and Waters.

**SCRep. 210-06      Transportation/Energy & Environmental Protection on H.B. No. 3097**

The purpose of this bill is to assist counties with populations of less than 500,000 to maintain adequate fuel supplies by:

- (1)      Allowing special purpose revenue bonds (SPRBs) to be issued for constructing petroleum storage facilities in these counties; and
- (2)      Establishing a tax credit for persons or entities who construct petroleum storage facilities within these counties.

Mid Pac Petroleum testified in support of this bill. The Department of Business, Economic Development, and Tourism and Aloha Petroleum, Ltd., supported the intent of this measure. The Department of Budget and Finance and the Western States Petroleum Association submitted comments.

Your Committees find that while Oahu has adequate facilities for petroleum storage, many neighbor island communities do not. At times, this has lead to an inadequate fuel supply for these areas, a situation that would be even more pronounced in times of disaster. While your Committees note that creating more storage facilities is only one part of a complex issue, this measure represents a good beginning to addressing an important problem and should be given further discussion.

As affirmed by the records of votes of the members of your Committees on Transportation and Energy & Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3097 and recommend that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Harbin, Schatz, Waters and Pine.

**SCRep. 211-06      Economic Development & Business Concerns on H.B. No. 1970**

The purpose of this bill is to ensure that plumbing and electrical work is done properly and safely by requiring that half of all electricians and plumbers who are employed at a job site are licensed according to state requirements.

The International Brotherhood of Electrical Workers Local Union No. 1186 supported the intent of this bill. The Contractors License Board and Associated Builders and Contractors, Hawaii Chapter, opposed this measure. The Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs submitted comments.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1970 and recommends that it pass Second Reading and be referred to the Committee on Labor & Public Employment.

Signed by all members of the Committee except Representative Herkes.

**SCRep. 212-06      Economic Development & Business Concerns on H.B. No. 1972**

The purpose of this bill is to ensure that electrical projects are completed safely by clarifying the electrician license classifications for journey worker, journey worker industrial, journey worker specialty, maintenance, supervising, supervising industrial, and supervising specialty electricians.

The International Brotherhood of Electrical Workers testified in support of this measure. The Board of Electricians and Plumbers, Plumbing and Mechanical Contractors Association of Hawaii, Associated Builders and Contractors, Inc., General Contractors Association of Hawaii, and Plumbers and Fitters Local 675 testified in opposition to this measure. Hawaiian Telecom commented on this measure.

Your Committee has amended this bill by:

- (1)      Clarifying that the statute be applied to electricians and electrical work throughout the State of Hawaii; and
- (2)      Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1972, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1972, H.D. 1, and be referred to the Committee on Labor & Public Employment.

Signed by all members of the Committee except Representative Herkes.

**SCRep. 213-06      Economic Development & Business Concerns on H.B. No. 3118**

The purpose of this bill is to allow the establishment of corporations structured to recognize as corporate interests, the interests of employees and of the public in areas such as the environment, by allowing businesses to incorporate as a responsible business corporation. This bill also provides incentives to incorporate in this form by exempting these corporations from corporate taxes.

The Democratic Party of Maui County, Inner Ocean Publishing, and a concerned individual testified in support of this bill. The Department of Commerce and Consumer Affairs offered comments.

Your Committee notes that in its present form, the bill would take effect upon approval. However, in its testimony the Department of Commerce and Consumer Affairs expressed that additional administrative provisions as well as time are needed to implement the provisions of this bill. Your Committee respectfully requests the Committee on Consumer Protection & Commerce to examine these concerns.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3118 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Chang, Herkes and Yamashita.

**SCRep. 214-06 Economic Development & Business Concerns on H.B. No. 2524**

The purpose of this bill is to ensure that business or development-related permit, license, or approval applications are approved in a fair and sound manner by prohibiting automatic approvals when there is a lack of quorum, tie voting results, or any other vote with less than the majority present.

The County of Hawaii, the Planning Department of the County of Hawaii, and Sierra Club, Hawaii Chapter, testified in support of this bill. The Land Use Research Foundation of Hawaii opposed this measure. The Department of Land and Natural Resources offered comments.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2524 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Chang, Herkes and Yamashita.

**SCRep. 215-06 Economic Development & Business Concerns on H.B. No. 2594**

The purpose of this bill is to increase the availability of qualified design and engineering professionals to complete state projects by prohibiting provisions in governmental procurement contracts that require the contractor to defend the governmental body from any liability.

The Limtiaco Consulting Group; Gray, Hong, Nojima and Associates, Inc.; Miyasato Kuniyoshi Engineers LLC; American Society of Civil Engineers, Hawaii Pacific Engineers, Inc.; American Council of Engineering Companies; Masa Fujioka and Associates; AIA Hawaii State Council; Pacific Geotechnical Engineers, Inc.; Cedric D. O. Chong and Associates, Inc.; Consulting Structural Hawaii, Inc.; Miyashiro and Associates, Inc.; Structural Engineers Association of Hawaii; D.L. Adams Associates, Ltd.; Engineering Solutions, Inc.; Coalition of Hawaii Engineering and Architectural Professionals; MK Engineers, Ltd.; Kai Hawaii, Inc.; and several concerned individuals submitted testimony in support of this measure. The Department of Accounting and General Services and the State Procurement Office submitted testimony in opposition to this measure.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2594 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Herkes.

**SCRep. 216-06 Economic Development & Business Concerns on H.B. No. 3067**

The purpose of this bill is to assist the agriculture industry by:

- (1) Establishing linked investments for providing loans to persons engaged in, or proposing to engage in, agriculture; and
- (2) Authorizing the Director of Finance to invest not more than ten percent of moneys available in the State treasury in linked investments.

The Hawaii Farm Bureau Federation testified in support of this bill. The Board of Agriculture commented on this bill.

The agricultural industry has, and continues to be, an important but highly competitive facet of Hawaii's economy. Assisting farmers in obtaining loans through linked investments will strengthen this industry and in turn, strengthen Hawaii's economy.

However, your Committee understands concerns raised by the Board of Agriculture regarding the liability of the State in cases where a borrower defaults on a loan provided through linked investments. Accordingly, your Committee has amended this measure by:

- (1) Specifying that an eligible lending institution is liable for payment of a loan that is made through linked investments if an eligible borrower defaults on the loan; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3067, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3067, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 217-06 Economic Development & Business Concerns/Labor & Public Employment on H.B. No. 3074**

The purpose of this bill is to ensure the success and growth of Hawaii's construction industry by establishing a task force to study the feasibility of establishing a Hawaii construction authority.

The Hawaii Building and Construction Trades Council submitted testimony in support of this bill. The Subcontractors Association of Hawaii supported the intent of this measure. Associated Builders and Contractors, Inc., submitted testimony in opposition to this bill. The Department of Labor and Industrial Relations offered comments on this measure.

As affirmed by the records of votes of the members of your Committees on Economic Development & Business Concerns and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3074 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 218-06 Economic Development & Business Concerns/Labor & Public Employment on H.B. No. 3073**

The purpose of this bill is to ensure continued success and growth in Hawaii's construction industry by creating the Hawaii Construction Authority, a single entity charged with the task of developing, coordinating, and implementing state policies and the direction of the construction industry.

The Hawaii Building and Construction Trades Council, AFL-CIO testified in support of this bill. The Attorney General, Associated Builders and Contractors, Hawaii Chapter, Inc., and the General Contractors Association of Hawaii testified in opposition to this bill. The Department of Accounting and General Services, Office of Information Practices, and Plumbers and Pipefitters Union Local 675 offered comments on this bill.

As affirmed by the records of votes of the members of your Committees on Economic Development & Business Concerns and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3073 and recommend that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 219-06 Economic Development & Business Concerns/Labor & Public Employment on H.B. No. 2335**

The purpose of this bill is to strengthen enforcement provisions with regard to prohibited unlicensed electrical and plumbing activities by:

- (1) Prohibiting an unlicensed person from advertising or holding oneself out as an electrician or plumber;
- (2) Defining "electrician" and "plumber";
- (3) Upon a final order of the Board of Electricians and Plumbers (Board) or court judgment requiring disconnection of the service of the telephone number in the advertisement in which an unlicensed person claims to be an electrician or plumber;
- (4) Establishing penalties for aiding or abetting an unlicensed person to violate the electricians and plumbers licensing law; and
- (5) Establishing a fine of the greater of \$1,000 or 40 percent of the contract price for violation of the law prohibiting unlicensed activity.

The Department of Commerce and Consumer Affairs, International Brotherhood of Electrical Workers, Local 1186, and the Board testified in support of this bill. Hawaiian Telcom suggested an amendment. The Associated Builders and Contractors, Hawaii Chapter, Inc., offered comments.

Your Committees have amended this bill by:

- (1) Removing the provision requiring the telephone service of a person in violation of the law against unlicensed activity to be disconnected; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Economic Development & Business Concerns and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2335, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2335, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 220-06 Housing on H.B. No. 2991**

The purpose of this bill is to promote the development of affordable housing through enabling legislation that establishes the manner and procedure for the issuance of special purpose revenue bonds (SPRBs) to not-for-profit private organizations to develop low- and moderate-income housing.

The Affordable Housing and Homeless Alliance testified in support of this bill. The Office of the Governor supported this measure with amendments. The Department of Budget and Finance and Hawaii Association of Realtors supported the intent of this bill. UniDev, LLC, and the Land Use Research Foundation of Hawaii offered comments.

Your Committee finds that although Article VII, section 12 of the State Constitution provides for authorization of SPRBs for "low and moderate income government housing programs," enabling legislation was not established. Because of Hawaii's growing affordable housing and homeless problem, your Committee is open to various innovative solutions to build more affordable housing.

Concerns were raised on whether a constitutional amendment is necessary to implement the language in this measure. Your Committee believes that a constitutional amendment is not necessary, however, your Committee has taken steps to improve this measure to lessen those concerns.

Accordingly, your Committee has amended this bill by:

- (1) Inserting a section describing the legislative intent of this measure;
- (2) Defining low- and moderate-income housing" to specify affordability requirements of qualified projects;
- (3) Clarifying other definitions to specifically apply to low- and moderate-income housing projects;
- (4) Changing the effective date to July 1, 2006, and removing the provision that the Act take effect upon ratification of a constitutional amendment; and
- (5) Making other technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2991, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2991, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Kawakami, Sonson, Halford and Pine.

#### **SCRep. 221-06 Housing on H.B. No. 2992**

The purpose of this bill is to propose an amendment to the State Constitution authorizing the issuance of special purpose revenue bonds (SPRBs) to assist not-for-profit private organizations in the development of low- and moderate-income housing.

The Land Use Research Foundation of Hawaii testified in support of this bill. The Department of Budget and Finance and Hawaii Association of Realtors supported the intent of this measure. UniDev, LLC, offered comments.

Your Committee notes that this measure is coupled with H.B. No. 2991 that establishes enabling legislation authorizing the issuance of SPRBs to assist not-for-profit private organizations in the development of affordable housing.

Although your Committee does not believe a constitutional amendment is necessary, H.B. No. 2991, another bill concerning the issuance of SPRBs for low- and moderate-income housing, was amended to address concerns that were raised. Your Committee supports the passage of this bill as a precaution in the event a determination is made that a constitutional amendment is required for the proper implementation of H.B. No. 2991.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2992 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Kawakami, Sonson, Halford and Pine.

#### **SCRep. 222-06 Energy & Environmental Protection on H.B. No. 1021**

The purpose of this bill is to minimize the cost to society of reliable energy services, including adverse environmental impact, by encouraging diversity of energy sources through improvements in energy efficiency and the development of renewable energy resources. Specifically this bill requires the Public Utilities Commission (PUC) to:

- (1) Quantify and establish a range of external costs, such as environmental costs, associated with each method of electricity generation;
- (2) Consider external costs when evaluating resource plan, power purchase, and certificate of need proceedings; and
- (3) Submit a report to the Legislature on the PUC's implementation of interim external cost values as required by this Act, and make a commitment on when it will submit a final report on the establishment and implementation of final external cost values.

For purposes of the public hearing, your Committee circulated a proposed H.D. 1 version that deletes the provisions of this bill and inserts new language that:

- (1) Increases the salary of the chairperson of the PUC from 87 percent of the salary of the Director of Human Resources Development to 100 percent of the salary of the Director of Commerce and Consumer Affairs, effective July 1, 2005;

- (2) Authorizes the chairperson of the PUC to appoint utility analysts and legal assistants exempt from Chapter 76, Hawaii Revised Statutes (HRS);
- (3) Requires the PUC to refund all moneys in excess of \$3,000,000 remaining in the PUC Special Fund (Special Fund) on June 30th of each year to the credit of public utilities that paid into the Special Fund for the given year; and
- (4) Appropriates unspecified amounts from the Special Fund and Compliance Resolution Fund to be expended by the PUC and the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs (DCA) to structurally reorganize the PUC and DCA.

The PUC, Hawaii Energy Policy Forum, Hawaiian Electric Company, Inc., Maui Electric Company, Ltd., and Hawaii Electric Light Company, Inc., testified in support of this bill. The Consumer Advocate and the Gas Company supported the intent of this measure.

Your Committee has amended the proposed H.D. 1 by:

- (1) Giving the Public Utilities Commission authority to suspend collection of public utility fees from public utilities that do not pay the flat rate of \$30.00 instead of refunding the excess, upon collection of \$3,000,000 in the PUC Special Fund; and
- (2) Changing the effective date of the salary increase designated in section 269-2, HRS, from July 1, 2005 to July 1, 2006; and
- (3) Making technical nonsubstantive amendments for clarity, consistency and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1021, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1021, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

#### **SCRep. 223-06 Energy & Environmental Protection on H.B. No. 1913**

The purpose of this measure is to make the State's deposit beverage container program's redemption center requirements applicable to dealers located within two miles of a certified redemption center in a high-density population area or in rural areas.

Your Committee finds that the measure accomplishes this purpose by repealing the exemption from mandatory participation in the State's deposit beverage container program provided to dealers located either within two miles of a certified redemption center in a high-density population area or in rural areas. The measure also requires the affected businesses to begin participating in the State's deposit beverage container program by January 1, 2007.

Your Committee recognizes that the participation of consumers in the State's deposit beverage container program is inextricably related to the convenience of redemption centers. Hence, the long-term success of the program hinges on improving the convenience and proximity of redemption centers to consumers. The Legislature also recognizes that increasing retailer participation in the program is another critical component that must be addressed in order for the program to succeed. Consequently, your Committee believes that the amended measure will increase convenience to the consumer by requiring more retailers to participate in redemption activities and therefore, will result in increased consumer participation in the State's deposit beverage container program.

Your Committee has amended the measure by:

- (1) Deleting the amendment that repealed the exemption provided to retailers located in rural areas;
- (2) Exempting counties with a population of less than five hundred thousand from the State's deposit beverage container program;
- (3) Increasing the square footage threshold for a dealer's place of business that triggers compliance with the State's deposit beverage container program from less than five thousand square feet of interior space to less than ten thousand square feet of interior space; and
- (4) Making technical, nonsubstantive amendments for the purpose of style and to reflect recommended drafting conventions.

Your Committee notes that one issue in need of further clarification is whether a non-certified redemption center operated by a retailer is entitled to receive a handling fee under this program. Therefore, your Committee believes that this issue deserves further discussion in subsequent committees.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1913, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1913, H.D. 1, and be referred to the Committee on Economic Development & Business Concerns.

Signed by all members of the Committee except Representative Harbin.

#### **SCRep. 224-06 Energy & Environmental Protection on H.B. No. 2508**

The purpose of this bill is to increase from \$250 to \$1,000 the value of an abandoned vehicle for which public auction requirements may be waived.

Furthermore, this measure removes the requirement for the value of the vehicle to be appraised.



Your Committee finds that, even if public auction requirements may be waived, public notice of the vehicle's disposal is still required. The present law requires that public advertisement must be made once in a newspaper of general circulation.

Your Committee has amended this measure by specifying that the notice requirement conform to the existing public notice requirements that are otherwise generally applicable to government agencies. With regard to the disposal of abandoned vehicles through other than a public auction, the public notice laws require publication in a daily or weekly publication of county-wide circulation in the affected county.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2508, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2508, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Harbin and Waters.

**SCRep. 225-06 Energy & Environmental Protection/Agriculture on H.B. No. 2873**

The purpose of this bill is to provide funding for the inspection and eradication efforts of invasive species, by establishing a Hawaii invasive species special fund, to be funded by:

- (1) An unspecified percentage of the funds collected from the airport landing fees; and
- (2) An unspecified percentage of the funds paid into the harbor special fund.

The Nature Conservancy of Hawai'i, Conservation Council for Hawai'i, Sierra Club, Hawai'i Chapter, C & H Farms, KAHEA: The Hawaiian-Environmental Alliance, and a concerned individual testified in support of this bill. The Department of Land and Natural Resources supported the intent of this measure. The Hawaii Farm Bureau Foundation supported this bill with amendments. The Department of Transportation opposed this bill. The Department of Agriculture and Alexander & Baldwin, Inc. provided comments.

The Department of Transportation raised the concern that the use of airport and harbor revenues towards the control efforts for invasive species appears to be an unlawful diversion of airport and harbor fees. However, your Committees find that the bill specifically limits the use of those funds to inspection and eradication of invasive species at ports of entry. Your Committees also believe that the inclusion of inspection and eradication of invasive species at ports of entry to the costs of operation of airports and harbors is an issue that deserves further discussion in subsequent committees. Your Committees further recognize the need to consider different sources of funding to combat the problem of invasive species control.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2873 and recommend that it pass Second Reading and be referred to the Committee on Transportation.

Signed by all members of the Committee except Representatives Chang, Harbin, Herkes, Waters and Stonebraker.

**SCRep. 226-06 Energy & Environmental Protection/Agriculture on H.B. No. 2263**

The purpose of this measure is to require the Department of Agriculture to charge and collect fees for invasive species inspection, quarantine, and eradication services from any person who imports articles or "means of conveyance" into the State.

"Means of conveyance" means any personal property used for or intended for use for the movement of any other personal property that could harbor an invasive species.

Your Committees find that the invasion of the State by invasive species seriously threatens Hawaii's economy and natural environment. Invasive species cause millions of dollars in crop losses, the extinction of native species, the destruction of native forests, and the spread of disease. The cost, however, to properly and adequately control or eradicate these unwanted pests and plants is substantial.

This bill addresses the high cost of fighting invasive species by providing a dedicated source of funding and a state treasury fund to support the fight against invasive species. Your Committees note that the bill also assesses fees only on those persons that may be introducing unwanted pests and plants into the State.

Your Committees have amended the bill by providing a definition of "invasive species" and by making technical amendments for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2263, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2263, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Harbin, Herkes, Waters and Stonebraker.

**SCRep. 227-06 Labor & Public Employment on H.B. No. 2950**

The purpose of this bill is to clarify the purpose of the Voluntary Employees' Beneficiary Association (VEBA) Trust pilot program under Act 245, Session Laws of Hawaii 2005 (Act 245).

The Hawaii State Teachers Association, United Public Workers, and Hawaii Government Employees Association testified in support of this bill.

Your Committee finds that Act 245 established a VEBA Trust pilot program. However, the purpose and findings section of Act 245 makes reference to the provision of health benefits to "a particular bargaining unit." This ambiguity has caused confusion among various

bargaining units in the state as to whether they are eligible to participate in this pilot program. This measure clarifies that a VEBA trust may be established by an employee organization to provide benefits for state and county employees the employee organization represents.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2950 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 228-06 Labor & Public Employment on H.B. No. 2180**

The purpose of this bill is to improve the delivery of manpower training and development by:

- (1) Transferring the Manpower Development and Training Program from the Department of Labor and Industrial Relations (DLIR) to the University of Hawaii community college system;
- (2) Appropriating Reed Act funds to the community college system for administrative costs associated with county employment service programs; and
- (3) Appropriating funds for four county manpower development program coordinators.

The Pacific Resource Partnership testified in support of the intent of this bill. The Office of Economic Development of the County of Kauai, County of Hawaii Workforce Investment Board, Hawaii Island Economic Development Board, and Hawaii Government Employees Association opposed this measure. The Department of the Attorney General, DLIR, and University of Hawaii submitted comments.

Your Committee finds that the recent closure of several businesses with longstanding ties to our state and a rapidly changing global economy have caused a tremendous shift in Hawaii's job market. The recent announcement by the Del Monte Corporation that it will cease operations of its pineapple plantations on Oahu and stories of the effects these closures will have on long-time plantation workers highlight the need for a program that will enable a rapid response to retrain and develop this workforce.

Hawaii's construction industry is also experiencing a resurgence, with the labor force unable to keep up with the employment demand. This situation is expected only to worsen with increases in residential and military construction on the horizon. Hawaii must prepare its workforce to meet the demands of a booming economy, especially in the field of construction.

Your Committee finds that through the establishment of a Construction Academy (Academy) within the University of Hawaii, especially one that includes training in the latest construction technologies and environmentally friendly building practices, we will ensure that Hawaii has a knowledgeable and skilled construction workforce trained in "green building" principles that will assist in the preservation of our environment.

Accordingly, your Committee has amended this measure by deleting its contents and replacing it with language that:

- (1) Establishes the Rapid Response Development and Training Program (Program) within the community college system of the University of Hawaii;
- (2) Establishes an Academy within the University of Hawaii; and
- (3) Appropriates funds for the Program and Academy.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2180, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2180, H.D. 1, and be referred to the Committee on Higher Education.

Signed by all members of the Committee.

**SCRep. 229-06 Labor & Public Employment on H.B. No. 2646**

The purpose of this bill is improve the workers' compensation system and decrease the adversarial nature of the workers' compensation system by requiring the State and courts to recognize the validity of labor-management agreements that meet certain specified requirements.

The Chamber of Commerce of Hawaii, Kaiser Permanente, Hawaii Chapter, American Physical Therapy Association, and Society for Human Resource Managers testified in support of this bill. The Department of Human Resources Development did not support this measure. The Department of Labor and Industrial Relations, ILWU Local 142, and Hawaii Employers' Mutual Insurance Company (HEMIC) submitted comments.

Labor-management agreements serve as an innovative and collaborative effort to improve the provision of care through a workers' compensation insurance plan agreed upon by management and labor. This type of approach often provides timely and comprehensive high-quality health care, open and direct communications between labor and management, return-to-work programs and vocational rehabilitation services, and an internal dispute resolution mechanism. Your Committee finds that this type of system has been used successfully in the past by Oahu Transit Services and that a well-designed system may have a positive impact on Hawaii's workers' compensation system.

However, your Committee notes that past labor-management agreements had difficulties procuring workers' compensation insurance. Accordingly, your Committee has amended this measure by:

- (1) Inserting language requiring HEMIC to serve as the workers' compensation insurer for the labor-management agreement if the labor management-agreement is not able to procure workers' compensation coverage from an insurer in the voluntary insurance market; and

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2646, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2646, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee.

**SCRep. 230-06 Labor & Public Employment on H.B. No. 1867**

The purpose of this bill is to protect the health and well-being of injured workers by establishing that, when a dispute exists between an injured employee and the injured employee's employer or employer's insurer regarding whether medical services should be continued, the injured employee shall continue to receive medical services until the Director of Labor and Industrial Relations (Director) issues a decision on whether the injured employee's medical treatment should be continued.

The Hawaii State AFL-CIO, ILWU Local 142, Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, Hawaii State Teachers Association, Hawaii Injured Workers Alliance, Law Office of David James Mikonczyk, the Hawaii Chapter of the American Physical Therapy Association, and numerous concerned individuals supported this measure. The Hawaii State Chiropractic Association supported the intent of this bill. The Department of Human Resources Development, Hawaii Insurers Council, Society for Human Resource Management-Hawaii Chapter, and the Hawaii Independent Insurance Agents Association opposed this bill. The Department of Labor and Industrial Relations, Benefit Plan Consultants (HI), Inc., and Hawaii Employers' Mutual Insurance Company, Inc., submitted comments.

Your Committee finds that injured employees are sometimes left without medical care in workers' compensation cases while waiting for a decision to be rendered on their medical services benefits. The interruption in medical treatment may cause undue delays in the injured employees' recovery from work injuries. In some cases, the delay in treatment may even exacerbate and permanently aggravate the work-related injuries.

However, your Committee also recognizes that concerns have been raised regarding who is liable for the costs of medical services provided to injured employees in cases where the Director's decision is rendered against the employee.

In light of these concerns, your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2050, to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1867, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1867, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

**SCRep. 231-06 Labor & Public Employment on H.B. No. 2647**

The purpose of this bill is to improve the health and safety of public employees by establishing a coordinated care system option to provide medical and rehabilitative services for workers' compensation cases involving public employees.

The Department of Human Resources Development and Kaiser Permanente testified in support of the intent of this bill. The Hawaii Chapter, American Physical Therapy Association opposed this measure. The Department of Labor and Industrial Relations and ILWU Local 142 offered comments.

A coordinated system of care adopts a cooperative approach in the provision of medical and rehabilitative benefits through a workers' compensation insurance plan agreed upon by management and labor. This type of approach often provides timely and comprehensive high-quality health care, and open and direct communications between labor and management, furnishes return-to-work programs and vocational rehabilitation services, and provides an internal dispute resolution mechanism.

However, your Committee has some concerns regarding the ability of employees to "opt out" of a coordinated care system plan once an agreement has been reached between the employees' bargaining unit and the employer, which may negatively impact the coordinated care system. Accordingly, your Committee has amended this measure by:

- (1) Clarifying that once a selection of coordinated care organizations has been made by an employer to provide coordinated care services to its employees, the employee must select one of the coordinated care organizations to provide their services; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2647, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2647, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

**SCRep. 232-06 Labor & Public Employment on H.B. No. 2694**

The purpose of this bill is to improve Hawaii's workers' compensation system by changing the reimbursement rate for medical services provided by neurosurgeons and orthopedic surgeons under the State Workers' Compensation Law to an unspecified percentage of the Medicare Resource Based Value Scale System Rates.

The Hawaii Medical Association, Hawaii Chapter of the American Physical Therapy Association, and two concerned individuals testified in support of this bill. The Department of Human Resources Development, Kaiser Permanente, and Hawaii Employers' Mutual Insurance Company testified in support of the intent of this measure. The Hawaii Insurers Council opposed this bill. The Department of Labor and Industrial Relations and ILWU Local 142 offered comments.

Your Committee finds that access to workers' compensation care provided by neurosurgeons and orthopedic surgeons can be limited in Hawaii. Many physicians have raised concerns over the low reimbursement rates and inordinate amount of paperwork for workers' compensation cases and cite these concerns as reasons for not accepting these types of cases. In 1995, in an attempt to control rising workers' compensation costs, the Legislature enacted Act 234 which established the workers' compensation fee schedule at a fee not to exceed 110 percent of the fees prescribed in the Medicare Resource Based Value Scale System applicable to Hawaii as prepared by the United States Department of Health and Human Services. Since then, rising medical costs have caused this percentage to be inadequate for the provision of workers' compensation services. A declining number of workers' compensation health care providers negatively impacts an injured worker's access to timely and quality treatment which can sometimes exacerbate the injury and delay the worker's return to work.

While your Committee understands that neurosurgeons and orthopedic surgeons are the medical practitioners who are predominantly affected by the current fee schedule, all medical professions face some of the same challenges. Accordingly, your Committee has amended this bill to include all health care providers of workers' compensation services by:

- (1) Clarifying that effective January 1, 2007, the fees for all medical services shall not exceed \_\_\_\_\_ percent of fees prescribed in the Medicare Resource Based Relative Value Scale system applicable to Hawaii, as prepared by the United States Department of Health and Human Services; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2694, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2694, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

**SCRep. 233-06 Labor & Public Employment on H.B. No. 2695**

The purpose of this bill is to improve the workers' compensation system by requiring the Hawaii Employers' Mutual Insurance Company (HEMIC) to provide a workers' compensation plan that uses a coordinated system of care model to provide medical and rehabilitation services to injured employees.

ILWU Local 142 testified in support of this bill. HEMIC supported the intent of this measure. The Hawaii Chapter, American Physical Therapy Association opposed this bill. The Department of Labor and Industrial Relations offered comments.

A coordinated system of care adopts a cooperative approach in the provision of medical and rehabilitative benefits through a workers' compensation insurance plan agreed upon by management and labor. This type of approach often provides timely and comprehensive high-quality health care, open and direct communications between labor and management, return-to-work programs and vocational rehabilitation services, and an internal dispute resolution mechanism. Your Committee finds that this type of system has been used successfully in the past by Oahu Transit Services and may have a positive impact on Hawaii's workers' compensation system.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2695 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

**SCRep. 234-06 Labor & Public Employment on H.B. No. 2698**

The purpose of this bill is to improve the efficiency of the workers' compensation system by requiring the Director of Labor and Industrial Relations to establish standardized forms for health care providers to use when reporting on and billing for injuries compensable under the State Workers' Compensation Law.

The ILWU Local 142, Hawaii State Chiropractic Association, and Hawaii Employers' Mutual Insurance Company, Inc., testified in support of this bill. The Department of Human Resources Development supported the intent of this measure. The Hawaii Insurers Council supported the bill with amendments. The Hawaii Chapter – American Physical Therapy Association opposed this measure. The Department of Labor and Industrial Relations offered comments.

Your Committee notes that employers, employees, insurers, and health care providers have raised concerns regarding the timeliness of the delivery of health care services in workers' compensation cases. This has continued to be a problem with Hawaii's workers' compensation system that results in a delay in workers receiving appropriate medical care. Standardizing forms for health care providers to use when reporting on and billing for injuries compensable under the State Workers Compensation Law will help alleviate some of these problems.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2698 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

**SCRep. 235-06 Energy & Environmental Protection on H.B. No. 3222**

The purpose of this measure is to establish:

- (1) A state renewable hydrogen program to manage the State's transition to a renewable hydrogen energy economy; and
- (2) A hydrogen technologies special fund to fund projects for the research, development, testing, and deployment of renewable hydrogen systems.

Your Committee has amended this measure by:

- (1) Setting forth, chronologically, the steps that this State has taken, to date, in advancing the deployment of renewable hydrogen energy systems;
- (2) Deleting the establishment of the hydrogen technologies special fund in chapter 196, Hawaii Revised Statutes, and establishing in its place the hydrogen investment capital special fund in chapter 211F, Hawaii Revised Statutes, to provide seed capital and venture capital funding for investments for the implementation of the Hawaii renewable hydrogen program in the State;
- (3) Directing the Natural Energy Laboratory Hawaii Authority, in partnership with the Department of Business, Economic Development, and Tourism, and Hawaii Natural Energy Institute, to evaluate and develop a distributed energy storage microgrid to "wheel" energy generated at the Puna Geothermal Ventures facilities to the Natural Energy Laboratory Hawaii Authority;
- (4) Directing the Public Utilities Commission to establish a five-year demonstration program for the distributed energy storage grid, utilizing the transmission facilities of the electrical public utility company on the island of Hawaii and ensuring that charges for the use of the transmission facilities and the energy generated by the Puna Geothermal Ventures are just and reasonable;
- (5) Requiring the Department of Business, Economic Development, and Tourism to submit annual reports to the Legislature on the operations of the demonstration project; and
- (6) Making technical nonsubstantive changes for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3222, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3222, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Harbin, Waters and Thielen.

**SCRep. 236-06 Energy & Environmental Protection on H.B. No. 2175**

The purpose of this bill is to provide a comprehensive approach to achieving energy self-sufficiency for the State by:

- (1) Increasing the renewable energy technologies income tax credit for certain renewable energy systems and removing the tax credits' 2008 sunset date;
- (2) Authorizing the issuance of general obligation bonds for a photovoltaic pilot project at public schools and to enable state compliance with greenhouse gas and energy consumption reduction goals for state facilities;
- (3) Requiring the use of Leadership in Energy and Environmental Design silver standards for state-funded building construction and renovation; and
- (4) Establishing the pay as you save pilot project to make the renewable energy technology more affordable.

Your Committee has refined the focus of the bill by making the following amendments:

- (1) Increasing the renewable energy technologies income tax credit for solar-thermal energy systems for single-family residential property;
- (2) Deleting language pertaining to the deduction of new federal energy tax credits, prior to application of the state renewable energy technologies income tax credit;
- (3) Narrowing the proposed pay as you save program to establish a solar water heating pay as you save program;
- (4) Incorporating Leadership in Energy and Environmental Design silver building standards and other energy efficiency and renewable resource requirements for state buildings and facilities;
- (5) Incorporating Leadership in Energy and Environmental Design standards for projects receiving priority permit processing by the counties;
- (6) Setting energy efficiency and transportation fuel requirements for state vehicles;
- (7) Amending the findings provisions of chapter 196, Hawaii Revised Statutes, by clarifying that global demand for petroleum is causing severe economic hardship throughout the State and emphasizing the need for strategic, comprehensive planning for Hawaii's energy resources;

- (8) Encouraging energy-savings contracting by:
  - (A) Clarifying that energy-savings contracts include energy-savings performance contracts, municipal lease/purchase financing, and utility energy efficiency service contracts; and
  - (B) Authorizing the issuance of general obligation bonds to carry out the purposes of Part III of the bill relating to energy efficiency in state buildings, vehicles, and equipment;
- (9) Amending the membership of the public-private advisory committee for energy resources and requiring the committee to:
  - (A) Establish benchmarks and evaluate the State's progress in energy efficiency and conservation in state facilities, vehicles, and equipment;
  - (B) Make recommendations on periodic energy audits; and
  - (C) Make annual recommendations to the Legislature to carry out the purposes of Chapter 196, Hawaii Revised Statute relating to energy resources;
- (10) Appropriating funds for one full-time energy efficiency coordinator position to address energy efficiency issues in Department of Education facilities;
- (11) Repealing sections 196-8, 196-12, 196-13, 196-14, 196-15, 196-16, 196-17, 196-20, 196-24, 196-25, 196-26, 196-27, 196-28, and 196-29, Hawaii Revised Statutes; and
- (12) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2175, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2175, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Harbin, Waters and Thielen.

**SCRep. 237-06 Higher Education on H.B. No. 3029**

The purpose of this bill is to improve military recruitment and retention by authorizing the University of Hawaii (UH) to waive or reduce the tuition fee for:

- (1) Members of the Hawaii National Guard or federal military reserves in Hawaii;
- (2) Active-duty military personnel who are stationed in Hawaii; and
- (3) Authorized dependents of such persons.

The Department of Defense, Hawaii National Guard Enlisted Association, and The Chamber of Commerce of Hawaii testified in support of this bill. UH supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3029 and recommends that it pass Second Reading and be referred to the Committee on Public Safety & Military Affairs.

Signed by all members of the Committee except Representatives Arakaki, Harbin and Ching.

**SCRep. 238-06 Higher Education/Education on H.B. No. 2440**

The purpose of this measure is to protect student-athletes and educational institutions by enacting the Uniform Athlete Agents Act developed by the National Conference of Commissioners on Uniform State Laws.

This bill also exempts the regulation of athlete agents from a sunrise analysis by the auditor under section 26H-4, Hawaii Revised Statutes, in recognition of the fact that requiring such a review would serve no purpose in this case.

The protections provided by this bill include:

- (1) Requiring athlete agents to register with the Department of Commerce and Consumer Affairs and establishing grounds for denial of registration, revocation of registration, and refusal to renew registration;
- (2) Requiring athlete agents to disclose current business information and any history of negative conduct as an agent, including loss of license, administrative sanctions, or findings of conduct causing participation eligibility violations;
- (3) Prohibiting certain acts intended to induce a student-athlete to enter into a contract with an athlete agent;
- (4) Requiring contracts between student-athletes and athlete agents to contain specific warnings about the potential loss of participation eligibility;
- (4) Requiring the student-athlete and athlete agent to notify the affected school if a contract is signed; and
- (5) Providing administrative, civil, and criminal penalties for violation of the Act.

Your Committees received testimony in support of this measure from the Superintendent of Education and the University of Hawaii. The Department of Commerce and Consumer Affairs expressed a number of concerns about the bill. These included the exemption of the proposed regulation from a sunrise analysis by the auditor, making athlete agent registrations a public record, the process by which registration would be administered, including the assessment of fees, the lack of resources necessary to administer the regulatory requirements, the imminent effective date of July 1, 2006, and the absence of authority to adopt rules to implement the regulatory requirements.

The Office of Information Practices took no position on the bill but suggested that the bill be amended to refer to registration records not as "public records" but as "government records" so that the records will be subject to the disclosure requirements and protections of the Uniform Information Practices Act, Chapter 92F, Hawaii Revised Statutes.

Your Committees believe that this measure merits further consideration and that the concerns raised and amendment suggested would best be considered by the Committee on Judiciary.

As affirmed by the records of votes of the members of your Committees on Higher Education and Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2440 and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Arakaki, Chang, Harbin and Ching.

**SCRep. 239-06 Hawaiian Affairs/Water, Land, & Ocean Resources on H.B. No. 2113**

The purpose of this bill is to prevent the disenfranchisement of native Hawaiians from their familial kuleana lands, by among other things, making the Office of Hawaiian Affairs (OHA) trustee of any unclaimed kuleana lands.

Pae 'Aina Communications, LLC, and OW Enterprises, LLP, testified in support of this bill. OHA supported the intent of this measure.

Your Committees have amended this bill by:

- (1) Deleting the section that would have repealed the requirement that OHA be joined as a defendant in an action to quiet title to unclaimed kuleana land; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2113, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2113, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Harbin, Waters and Finnegan.

**SCRep. 240-06 Health on H.B. No. 3087**

The purpose of this bill is to give flexibility to purchase health care goods and services by amending the State Procurement Code (Code) to:

- (1) Exempt purchases of medical equipment and services from the Code requirements;
- (2) Establish the Chief Executive Office of the Hawaii Health Systems Corporation (HHSC) as the Chief Procurement Officer of HHSC; and
- (3) Increase the threshold amount for small purchases from \$25,000 to \$100,000.

The Office of the Governor, several board members and staff of HHSC, and several concerned individuals supported this bill. The Department of Accounting and General Services and the State Procurement Office testified in support of the designation of a chief procurement officer for HHSC but had concerns with the provisions exempting medical equipment and services and increasing the small purchases threshold. The American Institute of Architects Hawaii State Council and Diagnostic Laboratories Services, Inc., opposed this measure. The State Procurement Office submitted comments.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3087 and recommends that it pass Second Reading and be referred to the Committee on Economic Development & Business Concerns.

Signed by all members of the Committee except Representative Hale.

**SCRep. 241-06 Health on H.B. No. 1992**

The purpose of this bill is to provide increased healthcare in rural areas of the state by increasing the cigarette tax by 2.5 cents per cigarette to fund the maintenance and operation of federally qualified community health centers.

The American Heart Association of Hawaii, Hawaii Primary Care Association, and Waianae Coast Comprehensive Health Center supported this bill. The Department of Taxation opposed this measure. The Tax Foundation of Hawaii submitted comments.

Your Committee finds that tobacco use causes an overwhelming number of health problems throughout the state and, therefore, funds generated from the sale of tobacco products should be tapped to assist in treating those health problems caused by its use.

Your Committee has amended this bill by:

- (1) Providing that native Hawaiian programs and programs that assist the uninsured, which focus on smoking cessation, prevention, education, and treatment of the diseases caused by smoking shall also be eligible for funding from the Federally Qualified Community Health Center Special Fund; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1992, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1992, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 242-06 Health/Human Services on H.B. No. 3123**

The purpose of this bill is to provide funding for a study to conduct structural analysis by registered professional engineers of each hospital and nursing home facility, rating each facility based on its ability to survive the likely effects of category I, II, III, IV, and V hurricanes.

The Department of Defense, Structural Engineers Association of Hawaii, and Healthcare Association of Hawaii supported this bill. The Department of Health supported the intent of this measure.

Your Committees have amended this bill by:

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

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3123, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3123, H.D. 1, and be referred to the Committee on Public Safety & Military Affairs.

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

**SCRep. 243-06 Health/Human Services on H.B. No. 2941**

The purpose of this bill is to assist Hawaii residents by providing information and resources to help them make informed decisions in order to enjoy secure and productive lives during their retirement years.

Specifically, this bill creates a state longevity planning program within the Executive Office on Aging, in partnership with stakeholders, to conduct a needs assessment of information needs relating to longevity issues and to design, conduct, and evaluate a public awareness campaign to provide the information identified in the needs assessment. The bill authorizes the Department of Health to contract with a private or public entity to evaluate the public awareness campaign. Finally, the bill appropriates \$305,000 to be expended by the Department of Health to implement the program.

The Executive Office on Aging testified in support of the intent of the bill.

Your Committees believe that many Hawaii residents have insufficient knowledge of the choices, options, and decisions regarding longevity issues that they need in order to assure themselves of a secure and productive retirement.

Upon further consideration, your Committees have amended this bill by replacing the appropriated amount of \$305,000 with \$1 for purposes of facilitating further discussion.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2941, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2941, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 244-06 Health/Labor & Public Employment on H.B. No. 3128**

The purpose of this bill is to initiate a universal healthcare system for the people of Hawaii by establishing the State Healthcare Insurance Planning and Financing Authority (Authority) to operate a single-payer universal healthcare insurance system.

The League of Women Voters of Hawaii, Kokua Council, Americans for Democratic Action, Kupuna Caucus of the Democratic Party of Hawaii, National Association of Social Workers, Physicians for a National Health Program, and numerous concerned individuals supported this bill. ILWU Local 142 supported the intent of this measure. The Department of Commerce and Consumer Affairs, State Farm Insurance Company, Kaiser Permanente, Hawaii Medical Services Association, Healthcare Association of Hawaii, Hawaii Medical Association, Hawaii Association of Health Plans, Hawaii State Teachers Association, and Hawaii Insurers Council opposed this bill. The Department of Budget and Finance, McCorrison Miller Mukai MacKinnon, LLP, submitted comments.

Your Committees find that a system that provides affordable, universal healthcare is vitally important to ensuring the health and well-being of the people of our state especially when the rising cost of healthcare is forcing many to give up their health insurance or choose food and rent over healthcare.

A first step must be taken to achieve a universal health care for Hawaii's citizens and your Committees find that this bill should act as the vehicle to be used to achieve that first step.



Your Committees have amended this bill by:

- (1) Clarifying that permanent residents shall be eligible for coverage by the single-payer universal healthcare system;
- (2) Inserting a definition section consisting of 11 new terms that address the concepts provided for in the new chapter in the Hawaii Revised Statutes;
- (3) Inserting a section consisting of 20 functional concepts to be established in regard to the Hawaii state-funded single payer universal healthcare insurance system to outline, shape, and direct the future of this endeavor;
- (4) Directing that the members of the Authority shall be an elected body that shall take effect on November 8, 2006;
- (5) Establishing eligibility and responsibilities of members of the Authority;
- (6) Clarifying that the Office of Elections shall prepare and execute all necessary procedures for the election of the members of the Authority;
- (7) Transferring the functions of the State Health Planning and Development Agency to the Authority and directing the Authority to assume other healthcare-related State agency functions;
- (8) Directing the start-up and maintenance of a contingencies and restraining reserve fund;
- (9) Providing for the salaries of the Authority chairperson and other members; and
- (10) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3128, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3128, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Cabanilla, Chong, Ito, M. Oshiro, Sonson, Halford and Meyer.

**SCRep. 245-06 Health on H.B. No. 2819**

The purpose of this bill is to protect the public health by banning the manufacture, sale, and distribution of a chemical flame retardant, known as decabromodiphenylether.

Specifically, the bill would prohibit the manufacture, sale, and distribution of televisions, computers, upholstered indoor furniture, mattresses, and mattress pads containing commercial decabromodiphenylether. It also authorizes the Department of Health to grant certain product exemptions if the Department finds that a safer, technically feasible alternative to commercial decabromodiphenylether is not available. Finally, the bill requires the Department of Health to submit its findings and recommendations to the 2007 Regular Session of the Legislature on the availability of safer alternatives for the products prohibited from sale by this bill, including any additional evidence of potential harm posed by commercial decabromodiphenylether.

The Department of Health supported the bill, with amendments. The Bromine Science and Environmental Forum testified in opposition.

Your Committee finds that decabromodiphenylether is a chemical flame retardant that is harmful to our environment and can cause serious health problems, especially for fetuses and young children. Recognizing the dangers posed by the accumulation of polybrominated diphenyl ethers in the environment, the Legislature, in 2004, prohibited the manufacture, processing, and distribution of two of these chemicals because of their potential to cause public health problems. As the only remaining polybrominated diphenyl ether that continues to be used as a flame retardant in products sold to consumers, your Committee finds that banning decabromodiphenylether would benefit public health and protect our environment.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2819 and recommends that it pass Second Reading and be referred to the Committee on Energy & Environmental Protection.

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

**SCRep. 246-06 Health on H.B. No. 1898**

The purpose of this bill is to support the DNA registry special fund by providing a sustainable source of funding.

The fund helps pay for collection and analysis of DNA samples taken from persons who are convicted of, or plead guilty or no contest to, any felony offense.

Specifically, this bill increases from \$10 to \$12 the fee for the first certified copy of birth, marriage, divorce, or death certificates. In addition, this bill deposits \$2 of each certificate fee into the DNA registry special fund.

Your Committee received testimony in support of this bill from the Attorney General, the Department of the Prosecuting Attorney of the City and County of Honolulu, and the Mililani Town Anti-Drug Committee. The Department of Health supports the intent of the bill.

Your Committee finds that depositing a surcharge for the issue of vital statistics certificates will provide a sustainable source of funding for the DNA registry special fund.

Upon further consideration, your Committee has amended this bill to change the amount of \$2 to be deposited into the DNA registry special fund to an unspecified amount for purposes of further discussion.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1898, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1898, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 247-06 Health on H.B. No. 2902**

The purpose of this bill is to establish a schedule of fees for the cost of reproducing medical records for documentary evidence.

Specifically, the bill provides that the reasonable cost for copies of medical records shall be not more than \$1 per page for up to fifty pages and not more than fifty cents for each page thereafter. The reasonable cost for reproducing electronic and microfilm documents, however, is unspecified.

Under existing law, there is uncertainty in determining what are the "reasonable" or "actual costs of preparation" in copying medical records for documentary evidence. Hawaii is one of only seven states that do not have a specific fee chart or clear guidelines to determine the reasonable cost of copying medical records. Your Committee recognizes that there is a significant amount of preparation that is required before medical records may be copied and that some hospitals do not charge copying costs in response to certain requests, such as patient requests for records necessary for continuing care, prosecutor's offices, and the Family Court. Your Committee believes that this bill will assist attorneys and judges by removing the ambiguity in the costs of copying medical records for documentary evidence.

Accordingly, your Committee has amended this bill as follows to ensure further discussion on this issue:

- (1) By changing the reasonable cost of copies of medical records from \$1 for the first fifty pages and fifty cents for each page thereafter to unspecified amounts; and
- (2) By changing the reasonable cost of reproducing written or typed documents from \$1 for the first fifty pages and fifty cents for each page thereafter to unspecified amounts.

Your Committee requests that future discussion include a determination of the maximum amount of a cap imposed on these costs.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2902, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2902, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 248-06 Health/Human Services on H.B. No. 2154**

The purpose of this bill is to appropriate funds for the Department of Health (DOH) to contract with providers of domiciliary homes and operators of apartment complexes that provide residential services to persons with developmental disabilities.

DOH, the State Council on Developmental Disabilities, Hawaii Disability Rights Center, Arc in Hawaii, and Opportunities for the Retarded, Inc., supported this bill.

Your Committees recognize the value of residential services for individuals with developmental disabilities or mental retardation who are unable to live independently. Your Committees, however, respectfully request the Committee on Finance to analyze this bill's financial implications to the State. The State Council on Developmental Disabilities has indicated that the minimum appropriation necessary for the purposes of this measure is \$1,798,200.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2154 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 249-06 Health/Human Services on H.B. No. 2185**

The purpose of this measure is to establish an aging in place income tax credit.

The Attorney General, Director of Taxation, and the Tax Foundation of Hawaii submitted comments on the measure.

Your Committees find that the measure establishes an income tax credit equal to fifty per cent of the qualified costs incurred, up to a maximum amount that has been left unspecified, by a taxpayer who renovates the taxpayer's residence to provide handicapped accessibility or aging in place. The measure also requires the Department of Taxation to annually report to the Legislature on the use by taxpayers and cost to the State of the income tax credit and authorizes the tax credit to be claimed in taxable years beginning after December 31, 2005.

Your Committees believe that the measure would provide the necessary financial incentive to encourage potential family caregivers to renovate their residences so that they may more readily accommodate the needs of physically challenged care recipients and consequently promote aging in place.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2185 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 250-06 Health/Human Services on H.B. No. 2935**

The purpose of this bill is to help elderly individuals and their families by appropriating funds allowing the Executive Office on Aging's (EOA) SageWatch Program to adopt the Kupuna I.D. Project, a program currently under the Department of the Attorney General (AG) that assists senior citizens when they become disoriented, sick, or lost.

The Department of the (AG), County of Kauai's Agency on Elder Affairs, and Kauai Search and Rescue testified in support of this bill. The EOA supported the intent of this measure.

Your Committees have amended this bill by:

- (1) Changing the appropriation to \$1 to encourage further discussion;
- (2) Eliminating the provision that the appropriation be used for the funding of two positions; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2935, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2935, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 251-06 Health/Human Services on H.B. No. 2107**

The purpose of this bill is to help family caregivers offset the costs of caring for a mentally or physically impaired relative by:

- (1) Establishing and appropriating funds for a Caregiver Grant Program and Special Fund (Fund) administered by the Executive Office on Aging;
- (2) Creating methods and criteria to qualify for grants from the Fund; and
- (3) Providing support for the administration of the Fund.

A concerned individual supported this measure. The Executive Office on Aging and Policy Advisory Board for Elder Affairs supported the intent of this measure. The Department of Budget and Finance offered comments.

Your Committees have amended this bill by:

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

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2107, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2107, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 252-06 Health/Human Services on H.B. No. 3105**

The purpose of this bill is to facilitate the effective treatment of mental health consumers by prohibiting the Department of Human Services (DHS) from restricting the physician's ability to treat a fee-for-service patient with psychotropic medications that have been:

- (1) Approved by the Food and Drug Administration; and
- (2) Considered appropriate and within the lawful scope of the physician's practice and professional judgment.

The Hawaii Disability Rights Center, National Alliance for the Mentally Ill, Oahu, Hawaii Psychiatric Medical Association, and several concerned individuals supported this measure. DHS supported the intent of this measure.

Your Committees find that the ability to treat a person suffering from illness must not be further impeded when strict Food and Drug Administration guidelines are already in place and when a certified medical physician determines a treatment to be safe and effective.

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

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3105, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3105, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

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

**SCRep. 253-06 Health/Labor & Public Employment on H.B. No. 3127**

The purpose of this bill is to improve the delivery of quality health care services in Hawaii by establishing direct care registered nurse-to-patient staffing requirements in health care facilities.

Numerous nurses from Kaiser Permanente, Kuakini Medical Center, St. Francis Medical Center Liliha, Wahiawa General Hospital, and Wilcox Memorial Hospital, and several concerned individuals testified in support of this bill. The Hawaii Nurses' Association supported the intent of this measure. The Department of Health, Healthcare Association of Hawaii, Hawaii Chapter of the American Organization of Nurse Executives, Wilcox Memorial Hospital, Kapiolani Medical Center for Women & Children, Kapiolani Medical Center at Pali Momi, Kaiser Permanente, and a concerned individual opposed this bill.

As affirmed by the records of votes of the members of your Committees on Health and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3127 and recommend that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Cabanilla, Chong, Ito, M. Oshiro, Sonson, Halford and Meyer.

**SCRep. 254-06 Health/Labor & Public Employment on H.B. No. 3129**

The purpose of this bill is to:

- (1) Provide an income tax credit to individual taxpayers for premium payments made for the purchase of a qualified long-term care insurance contract;
- (2) Provide an income tax credit to employers for premium payments made by the employer during the taxable year to purchase a qualified long-term care insurance contract for its employees; and
- (3) Require the Department of Taxation, in cooperation with the Department of Commerce and Consumer Affairs, to submit an annual report to the Legislature on the tax credits claimed and their cost to the State.

The Healthcare Association of Hawaii, State Farm Mutual Automobile Insurance Company, Hawaii Long Term Care Association, and American Council of Life Insurers testified in support of this bill. ILWU Local 142, supported the intent of this bill. The Kokua Council opposed this measure. The Tax Foundation of Hawaii provided comments.

As affirmed by the records of votes of the members of your Committees on Health and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3129 and recommend that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Cabanilla, Chong, Ito, M. Oshiro, Sonson, Halford and Meyer.

**SCRep. 255-06 Health on H.B. No. 2059**

The purpose of this bill is to provide sexual assault survivors with informed access to emergency contraceptives by:

- (1) Requiring hospitals to provide:
  - (A) Information on emergency contraception to sexual assault survivors who are receiving emergency care;
  - (B) Emergency contraceptives to these sexual assault survivors upon request; and
  - (C) Information on sexual assault treatment and emergency contraception to employees who provide emergency care to sexual assault survivors.
- (2) Allowing the Department of Health to impose fines for failure to comply with these requirements; and
- (3) Authorizing funding to be provided for the emergency contraceptives out of the Domestic Violence and Sexual Assault Special Fund.

The Hawaii Women's Coalition, American Civil Liberties Union of Hawaii, Domestic Violence Clearinghouse and Legal Hotline, Planned Parenthood of Hawaii, Healthy Mothers Healthy Babies Coalition of Hawaii, MothersCare for Tomorrow's Children, Sex Abuse Treatment Center, and many concerned individuals supported this measure. The Hawaii Family Forum, St. Francis Healthcare System of Hawaii, and a concerned individual opposed this measure.

Your Committee finds that an exemption for St. Francis is needed because of its religious beliefs. In addition, the interested parties need to discuss the issues arising if St. Francis is sold.

Your Committee has amended this bill by:

- (1) Making religiously affiliated hospitals exempt from the requirement that emergency contraceptives and information be provided to sexual assault survivors. However, these hospitals are required to provide at their own expense, medically appropriate transportation of these survivors in a timely manner to another health care facility or provider of the survivor's choice; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2059, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2059, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 256-06 Consumer Protection & Commerce on H.B. No. 1878**

The purpose of this bill is to improve the ability of Hawaii's securities industry to conduct business on a nationwide basis by conforming Hawaii's law on investment security adviser compensation to federal securities law. Specifically, this bill allows investment securities advisers to be compensated:

- (1) Based on the performance of the funds or portfolio that the investment adviser manages; and
- (2) If the conditions and requirements in rule 205-3 of the Investment Company Act of 1940 are met.

The Department of Commerce and Consumer Protection supported this measure.

Your Committee finds that this bill will help to modernize and reduce the cost and complexity of our securities laws while retaining protections for consumers.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1878 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Ito, Kanohe, Morita and Stonebraker.

**SCRep. 257-06 Consumer Protection & Commerce on H.B. No. 2313**

The purpose of this bill is to clarify and correct ambiguities and errors in Hawaii's business registration laws. Specifically, the housekeeping amendments made by this bill include:

- (1) Adding a section to the general partnership law regarding the types of activities of a foreign general partnership that do not constitute business transactions;
- (2) Providing that general partnerships electing to become limited liability partnerships (LLPs) shall file the LLP annual report in lieu of the general partnership annual statement; and
- (3) Requiring as one condition to reinstatement, that an administratively dissolved or cancelled professional corporation show that all taxes owed have been paid, are being paid, or are being contested.

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

Your Committee finds that some businesses are subject to overlapping or ambiguous registration, documentation, and other regulatory requirements. This bill would help remove some of these unnecessary burdens. In addition, providing more clarity in what constitutes a business transaction by a foreign partnership will encourage continued investment in Hawaii by the global community.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2313 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Kanohe, Karamatsu and Stonebraker.

**SCRep. 258-06 Consumer Protection & Commerce on H.B. No. 2315**

The purpose of this bill is to update and improve the regulation of financial institutions under the Code of Financial Institutions (Code) by eliminating obsolete, unnecessary, or redundant requirements and increasing consumer protection and regulatory flexibility.

Among the amendments made by this bill are those:

- (1) Eliminating the requirement that Hawaii financial institutions:
  - (A) File semi-annual statements of assets and liabilities;
  - (B) File amendments to articles of incorporation and bylaws;
  - (C) Notify the Commissioner of Financial Institutions (Commissioner) when opening, relocating, and closing automatic teller machines; and
  - (D) Comply with various provisions related to access to safety deposit boxes;
- (2) Removing references to mutual savings and loan associations, which are types of associations that no longer exist;
- (3) Increasing the threshold for reporting illegal acts from amounts exceeding \$10,000 to amounts exceeding \$100,000;

- (4) Expanding the range of low-income residential property investments permitted to banks, savings banks, savings and loan associations, and depository financial services loan companies, to include limited liability partnerships, limited liability companies, and corporations;
- (5) Giving a trust company the authority to serve as a conservator and allowing a trust company or bank authorized to do a trust business to continue to serve as a conservator after a merger, consolidation, or conversion;
- (6) Making the requirements for applications to organize a financial institution more consistent with Federal Depository Insurance Commission approval requirements;
- (7) Allowing the Commissioner to:
  - (A) Waive annual fees on a year-to-year discretionary basis;
  - (B) Request records and other information from any financial institution at any time for good cause;
  - (B) Use the results of both a state and federal examination in lieu of an examination prescribed by the Code; and
  - (C) When ordering the removal of a financial institution-affiliated party from office or employment, prohibit the party from participating in the affairs of any other financial institution;
- (8) Requiring financial institutions to:
  - (A) Give notice of, and obtain approval from the Commissioner to use a particular name; and
  - (B) Notify and provide other information to the Commissioner when closing an operating subsidiary or service corporation to ensure proper disposal of assets and liabilities;
 and
- (9) Applying protections for the confidentiality of records to attorneys, and protecting certain information from subpoena or other legal process.

The Department of Commerce and Consumer Affairs and the Hawaii Bankers Association supported this measure.

Your Committee finds that the financial markets have evolved considerably in the last decade. This bill updates the Code to take into account Hawaii's current marketplace and reduce regulatory burdens and costs.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2315 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Kanoho, Karamatsu and Stonebraker.

**SCRep. 259-06 Consumer Protection & Commerce on H.B. No. 2331**

The purpose of this bill is to reduce the costs of administering and complying with professional and vocational licensing requirements by providing state licensing boards and programs the option of allowing licensees:

- (1) To go on inactive status; and
- (2) Reactivate their license at any time during the licensure period or at the time of renewal.

The Department of Commerce and Consumer Affairs and a concerned citizen supported this measure.

Your Committee finds that a significant number of licensing laws do not give licensed individuals the option of inactive status. This measure does not require, but allows licensing boards to offer this option. In response to concerns voiced by your Committee, DCCA's Professional and Vocational Licensing Division stated that while on inactive status, licensees would have to continue to maintain continuing education requirements and other requisites for their individual licenses.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2331 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Kanoho and Stonebraker.

**SCRep. 260-06 Education on H.B. No. 2743**

The purpose of this bill is to effectuate its title.

H.B. No. 2743 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

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

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the action to report out H.B. No. 2743, as amended herein, and recommends that it be recommitted to the Committee on Education, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 2743, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Green, Harbin and Shimabukuro.

**SCRep. 261-06 Human Services/Health on H.B. No. 2672**

The purpose of this bill is to provide medical insurance for individuals who fall within the "gap-group," whose incomes are too high to qualify for other federal and state programs yet not high enough to pay the rising costs of health insurance premiums, by requiring the Department of Human Services (DHS) to subsidize health insurance coverage for uninsured residents of the state who earn less than 300 percent of the federal poverty level.

The Hawaii Primary Care Association, Waianae Coast Comprehensive Health Center, and Hawaii Disability Rights Center testified in support of this bill. DHS offered comments.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2672 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 262-06 Transportation on H.B. No. 2215**

The purpose of this bill is to assist smaller concessionaires operating on public property by giving the State the flexibility to accept legal tender and financial instruments other than performance bonds as security for the performance of their concession contracts.

The Department of Transportation and Legislative Committee for the Airports Concessionaires Committee testified in support of this bill.

Your Committee finds that current law requires concessionaires on public property to obtain performance bonds for their concession contracts. However, performance bonds are becoming increasingly difficult for small concession operators to obtain. Allowing smaller concessionaires to provide other forms of financial security for their concession contracts will provide them with much needed relief.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2215 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 263-06 International Affairs/Economic Development & Business Concerns on H.B. No. 1889**

The purpose of this bill is to re-establish an Office of International Affairs (Office) within the Department of Business, Economic Development, and Tourism (DBEDT). This Office, among other things, will be responsible for:

- (1) Developing policies that strengthen relations with other countries;
- (2) Promoting, developing, and encouraging economic, social, cultural, and scientific relations with other countries; and
- (3) Studying and promoting issues relating to peace-based initiatives.

DBEDT supported the intent of this measure. However, based on its projections that it will cost \$200,000 to initiate the Office, DBEDT expressed concerns about its cost implications.

Your Committees find that the Office of International Affairs by helping to coordinate the public and private sector, will help promote Hawaii as a bastion of international leadership in the Pacific.

As affirmed by the records of votes of the members of your Committees on International Affairs and Economic Development & Business Concerns that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1889 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 264-06 Tourism & Culture/Public Safety & Military Affairs on H.B. No. 2688**

The purpose of this bill is to provide greater efficiency in the enforcement and regulation of the use, sale, importation, and storage of fireworks and articles pyrotechnic by redefining the terminology used in referring to fireworks and articles pyrotechnic to more closely conform to that of federal agencies that regulate such explosives. In addition, this bill prohibits the sale of consumer fireworks after 12:00 a.m. on New Year's Day, 6:00 p.m. on Chinese New Year's Day, and 8:00 p.m. on the Fourth of July.

The State Fire Council, Honolulu Fire Department, Kauai Fire Department, County of Hawaii Fire Department, and the Honolulu Police Department supported this bill. The Hawaii Food Industry Association supported the intent of this bill. The Legislative Information Services of Hawaii offered comments.

As affirmed by the records of votes of the members of your Committees on Tourism & Culture and Public Safety & Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2688 and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Abinsay, Tsuji and Stonebraker.

**SCRep. 265-06 Consumer Protection & Commerce on H.B. No. 2619**

The purpose of this bill is to protect consumers by requiring that any electric utility ratemaking structure developed by the Public Utilities Commission (PUC) pursuant to the renewable portfolio standards study is consistent with established public utility ratemaking principles. Specifically, this bill:

- (1) Deletes the requirement that the ratemaking structure developed by PUC will ensure that electric utility profit margins do not decrease; and
- (2) Replaces it with the requirement that the ratemaking structure will afford these companies an opportunity to earn a fair rate of return.

The Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, PUC, Hawaiian Electric Company, Hawaii Electric Light Company, Inc., Maui Electric Company, Ltd., Hawaii Renewable Energy Alliance, Hawaii Energy Policy Forum, and Honolulu Seawater Air Conditioning, LLC, testified in support of this bill. The Department of Business, Economic Development, & Tourism supported the intent of this bill.

Your Committee finds that well-established public utility regulation ratemaking principles generally provide that electric utility companies should be provided an opportunity to earn a fair rate of return, not a guaranteed rate of return.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2619 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Kanoho, Morita and Stonebraker.

**SCRep. 266-06 Consumer Protection & Commerce on H.B. No. 2439**

The purpose of this bill is to improve the ability of the Public Utilities Commission (PUC) to implement the One Call Center law by adding a new member to the One Call Center Advisory Committee (Advisory Committee) to represent the water utility industry.

The Public Utilities Commission, Board of Water Supply for the City and County of Honolulu, and the Gas Company submitted testimony in support of this bill. The Consumer Advocate commented on this measure.

Your Committee notes that this bill would result in an even number of members on the Advisory Committee, which could result in a voting deadlock. Further, the wastewater utilities are industry stakeholders affected by the One Call Center law, but like the water utilities, are currently not included on the Advisory Committee. Therefore, your Committee has amended this bill by adding an additional member to represent the wastewater industry, for a total of 17 voting members.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2439, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2439, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho and Stonebraker.

**SCRep. 267-06 Consumer Protection & Commerce on H.B. No. 2969**

The purpose of this bill is to protect senior consumers who are considering the purchase or exchange of an annuity by adding a new part to the Insurance Code entitled "Senior Protection in Annuity Transactions," which establishes standards and procedures for insurer and insurance producer recommendations of annuities. The bill also:

- (1) Removes variable annuity contracts from the jurisdiction of the Securities Commissioner;
- (2) Leaves the Insurance Commissioner with sole authority under state law to regulate these products; and
- (3) Allows the Insurance Commissioner to consult with and use the resources of the Securities Commissioner when making a final determination regarding variable annuities under the Senior Protection in Annuity Transactions law.

The American Council of Life Insurers, State Farm Insurance Company, and the National Association of Insurance and Financial Advisors provided testimony in support of the bill. The Business Registration Division of the Department of Commerce and Consumer Affairs opposed the measure.

Your Committee finds that the protections for senior consumers in this bill are based on the National Association of Insurance Commissioner's Senior Protection in Annuity Transactions Model Regulation adopted in 2003. Its standards and procedures will provide insurers and insurance producers with clear guidelines for recommendations to seniors about these products, and will facilitate regulation by the Insurance Division.

Your Committee further finds that a variable annuity contract is one in which the insurer agrees to make periodic payments to the buyer beginning immediately or at some future date. A variable annuity contract is purchased either through a single payment or a series of



payments. The product offers a range of investment options and its value will vary depending on the performance of the options chosen, which are typically mutual funds that invest in stocks, bonds, money market instruments, or some combination of the three.

In leaving regulation of variable annuities with the Insurance Commissioner, Hawaii would join the 34 states that exclude the variable annuity as a security. Removing duplicative regulation of this product will reduce the costs of compliance for this industry, which is regulated both at the state level and at the national level by the Securities and Exchange Commission and the National Association of Securities Dealers.

Your Committee has amended this measure by changing the effective date to January 1, 2007. Technical, nonsubstantive amendments were also made for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2969, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2969, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 268-06      Tourism & Culture on H.B. No. 3238**

The purpose of this bill is to facilitate the sale of registered Hawaii time share plans in foreign countries by exempting the time share plan from the State's time share regulations if any of its time share units are sold in a foreign country.

Marriott International, Inc., and RCI supported this bill. ARDA-Hawaii supported the intent of this bill. The Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs submitted comments.

Your Committee notes that concerns were raised regarding the lack of minimal consumer protection safeguards contained in this bill.

In light of these concerns, your Committee has amended this bill by deleting its contents and inserting provisions that provide greater transparency to DCCA for the benefit of Hawaii's consumers. This bill, as amended, exempts time share plans containing accommodations or facilities located in Hawaii that are offered for sale outside the United States from the requirements of the time sharing plans law; provided that the developer of the time share plan either:

- (1) Files the time share plan with the Director of DCCA for approval; or
- (2) Pays an exemption registration fee of \$100 and files certain information pertaining to the time share plan with the Director of DCCA for approval.

As affirmed by the record of votes of the members of your Committee on Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3238, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3238, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Abinsay and Tsuji.

**SCRep. 269-06      Transportation on H.B. No. 2637**

The purpose of this bill is to assist airport vendors while enhancing the ambiance of Hawaii's airports by granting the Department of Transportation (DOT):

- (1) The flexibility to allow airport concessions to make improvements to their facilities; and
- (2) The authority to:
  - (A) Grant short-term extensions to concession leases or concession permits within specified parameters in exchange for improvements; and
  - (B) Modify and alter older leases and permits by changing relief terms to similar terms found in newer concession leases that provide emergency economic relief to concessions in case of disruptive economic events.

DOT, HMS Host, and the Legislative Committee for the Airports Concessionaires Committee testified in support of this bill.

Your Committee finds that Hawaii's airports, as well as their concessions, are in need of repair and remodeling. However, statutory language and stringent accounting rules often make such projects difficult. Granting DOT the authority and flexibility to modify short-term leases and provide relief to a concession in return for improvements to the concession's premises would lead to meaningful investment by concessionaires and assist the State in meeting its airport modernization and improvement goals.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2637 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 270-06      Health on H.B. No. 2058**

The purpose of this bill is to abolish the reproductive rights protection committee and to authorize the Family Court to maintain a resource list of advisors who are knowledgeable in the area of the reproductive rights of incapacitated disabled adults.

Specifically, the bill repeals the committee and replaces it with a list of knowledgeable advisors to assist the Family Court as an ad hoc panel. If requested by the Family Court, the advisors are authorized to give the court advice on petitions for sterilization of incapacitated adults, taking into consideration whether the ward is capable of giving informed assent and the best interest of the ward. The bill also clarifies that an incapacitated ward is entitled to be present at court hearings on sterilization, be represented by an attorney, and cross-examine witnesses, unless the ward is unwilling or unable to participate.

The Judiciary, the State Council on Developmental Disabilities, the Disability and Communication Access Board, and Planned Parenthood of Hawaii testified in support of the bill.

Your Committee finds that, although the reproductive rights protection committee was established in 1986, it has reviewed only one petition and it has had no expenditures in nearly a decade. The reproductive rights protection committee has no budget and no staff. Because of its relative inactivity, your Committee finds that it is reasonable to abolish the committee and replace it with a list of expert advisors willing to assist the Family Court as needed.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2058 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Hale.

**SCRep. 271-06 Health on H.B. No. 2105**

The purpose of this measure is to appropriate funds to continue the implementation of the donated dental services program in Hawaii.

Your Committee finds that the donated dental services program links eligible individuals who are elderly or disabled with volunteer dentists, who provide the needed dental care services. The Hawaii program was implemented in 2002 and has been administered by the Department of Health, through the State Council on Developmental Disabilities.

Since the program's inception, ninety-four individuals have received dental care services from volunteer dentists and volunteer dental laboratories. Your Committee further finds that the program faces imminent termination unless funding is continued by the Legislature.

Testimony in support of this measure was received from the State Council on Developmental Disabilities, the Chairman of Donated Dental Services Hawaii, the Hawaii Dental Association, the National Foundation of Dentistry for the Handicapped, the Oahu's Voice on Mental Illness, and the Hawaii Disability Rights Center.

Your Committee has amended this measure by changing the appropriation from an unspecified amount to \$1, in order to facilitate continued discussion of the matter.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2105, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2105, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Hale.

**SCRep. 272-06 Health on H.B. No. 2526**

The purpose of this measure is to appropriate funds for the reestablishment of dedicated emergency medical service personnel to staff the aeromedical helicopter unit on the island of Hawaii.

Your Committee received testimony from the Mayor of the county of Hawaii in support of the bill.

Your Committee finds that the current practice of staffing the aeromedical helicopter on the island of Hawaii by utilizing "ground ambulance" personnel reduces operational effectiveness and safety by:

- (1) Reducing the number and effectiveness of available ground ambulance units;
- (2) Extending the out-of-service time for the respective ground ambulance units; and
- (3) Reducing the quality of patient care in the aeromedical helicopter through the use of inexperienced personnel.

This bill would address these concerns by providing the necessary funds to provide quality healthcare to patients utilizing the aeromedical helicopter unit on the island of Hawaii.

Your Committee has amended the bill by changing the amount appropriated to \$1 for the purpose of furthering discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2526, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2526, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Hale.

**SCRep. 273-06 Consumer Protection & Commerce/Health on H.B. No. 1975**

The purpose of this bill is to effectuate its title.

H.B. No. 1975 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

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

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Health that are attached to this report, your Committees are in accord with the action to report out H.B. No. 1975, as amended herein, and recommend that it be recommitted to the Committees on Consumer Protection & Commerce and Health, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1975, H.D. 1.

Signed by all members of the Committee except Representatives Caldwell, Hale, Ito, Kanoho, Souki and Stonebraker.

**SCRep. 274-06      Transportation on H.B. No. 2746**

The purpose of this bill is to effectuate its title.

H.B. No. 2746 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the action to report out H.B. No. 2746, as amended herein, and recommends that it be recommitted to the Committee on Transportation, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 2746, H.D. 1.

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

**SCRep. 275-06      Tourism & Culture on H.B. No. 3113**

The purpose of this bill is to provide a comprehensive and centralized location where visitors and residents may learn about the history and culture of Hawaii by appropriating funds for the creation of the Hawaii Museum of History.

The Hawaii Tourism Authority, Historic Hawaii Foundation, and two concerned individuals supported this bill. The Department of Land and Natural Resources submitted comments.

Your Committee has amended this measure by:

- (1)      Inserting an appropriation amount of \$1 to promote further discussion; and
- (2)      Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3113, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3113, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Abinsay and Tsuji.

**SCRep. 276-06      Tourism & Culture on H.B. No. 3235**

The purpose of this bill is to provide funding to support the production of music by an Oahu-based symphony orchestra by appropriating \$10,000,000 to be deposited into the State of Hawaii Endowment Fund (Fund), provided that the appropriation is matched dollar-for-dollar by private funds.

The Oahu County Committee of the Democratic Party, Musicians' Association of Hawaii, Honolulu Symphony, and a concerned individual supported this bill. The State Foundation on Culture and the Arts supported the intent of this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3235, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3235, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Abinsay and Tsuji.

**SCRep. 277-06      Water, Land, & Ocean Resources on H.B. No. 2400**

The purpose of this bill is to preserve important cultural land by making an emergency appropriation of \$1,600,000 to assist in the purchase of Waimea Valley, Oahu.

The Office of Hawaiian Affairs, Department of Land and Natural Resources, a member of the City Council of the City and County of Honolulu, Waimea Arboretum & Botanical Garden, Oahu Council of the Association of Hawaiian Civic Clubs, Stewards of Waimea Valley, Papa Ola Lokahi, Conservation Council for Hawaii, and several concerned individuals supported this bill. Windward Ahupuaa Alliance submitted comments.

Your Committee notes that this measure is essential in ensuring that one of the most treasured ahupua'a is protected for the benefit of future generations. The appropriation contained in this bill represents DLNR's portion of the funds necessary to purchase the land. A consortium of public and non-profit interests have agreed to purchase Waimea Valley for \$14,000,000.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2400 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morita, Schatz, Waters and Meyer.

**SCRep. 278-06 Consumer Protection & Commerce on H.B. No. 1981**

The purpose of this bill is to provide an incentive for the sale of multi-family residential leasehold property to the lessees of the property, by establishing an income tax exemption for taxable years 2007 through 2011, for 100 percent of the capital gains realized from the sale of the leased fee interest in residential house lots or multi-family residential units or property, to the lessee.

The Hawaii Council of Associations of Apartment Owners, Hawaii Association of Realtors, and Hawaii Independent Condominium and Cooperative Owners submitted testimony in support of this bill. The Department of Taxation commented on the measure.

Your Committee finds that the term "planned unit development" is not defined in statute or in this bill, and there is some question whether there are leasehold planned unit developments in Hawaii. Accordingly, this bill has been amended by removing the reference to "planned unit development."

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1981, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1981, H.D. 1.

Signed by all members of the Committee except Representatives Ito, Kanoho, Morita and Stonebraker.

**SCRep. 279-06 Consumer Protection & Commerce on H.B. No. 3126**

The purpose of this bill is to improve the ability of emergency services personnel to identify those terminally ill patients who have requested comfort care only, by:

- (1) Deleting the requirement that the patient's physician certify that the patient desires comfort care only;
- (2) Deleting the requirement that the rapid identification document used to identify comfort care only patients be in the form of a bracelet worn by the patient; and
- (3) Allowing the patient's lawfully appointed guardian, agent, or surrogate acting consistent with the Uniform Health Care Decisions Act, to direct medical staff to provide comfort care only.

The Department of Health (DOH), Hawaiian Islands Hospice Organization, Kokua Mau, Hospice of Hilo, and several concerned individuals submitted testimony in support of this measure.

Your Committee finds that persons who elect to receive comfort care only, and not to be resuscitated by more aggressive means when terminally ill, are required to be certified as such by their physician in a comfort care only document filed with their physician. In addition, they are required to wear an identifying bracelet or necklace, prescribed by a physician, ordered through only one pharmacy on Oahu, and made and sent from the mainland.

Your Committee heard testimony that the comfort care bracelet has not been a very successful method of making known the wishes of patients electing comfort care only. The process to obtain the bracelet is difficult, and there have been times when the bracelet was not seen due to clothing or other circumstances until after aggressive measures were instituted. The amendments made by this bill would allow DOH to choose a different option that would increase the likelihood that health care providers give the level of care that the patient desires.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3126 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Kanoho, Morita and Stonebraker.

**SCRep. 280-06 Consumer Protection & Commerce on S.B. No. 1223**

The purpose of this bill is to recognize that the cost of recovering a check has increased over the past six years by raising the service charge that a check holder may assess for a dishonored check from \$20 to an unspecified amount.

Credit Associates of Maui, Ltd., and Honolulu Collection Corporation supported this bill. Credguard Corporation, Kauai Credit Adjusters, Vericheck Kauai, Maui Collection Service, Inc., MEDCAH, Inc., Pacific Collections, Doctors Business Bureau of Hawaii, Vericheck,

Collection Agency of Hawaii, Sunrise Recovery Services, L.L.C., and several concerned individuals submitted testimony in support of this measure and recommended amendments. The Office of Consumer Protection, Department of Commerce and Consumer Affairs commented.

Your Committee finds that similar fees in other states range from \$10 to \$30 dollars, while local financial institutions charge approximately \$20. There remains some question as to whether there is evidence to support an increase in the service charge.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1223, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Kanoho, Morita and Stonebraker.

**SCRep. 281-06 Education/Labor & Public Employment on H.B. No. 2609**

The purpose of this bill is to recognize the unique needs of charter schools by clarifying the collective bargaining process for charter school employees, including:

- (1) Specifying that if a charter school employee's job description contains the duties and responsibilities of an employee that could be assigned to more than one bargaining unit, the duties and responsibilities that are performed by the employee for the majority of the time shall be the basis for the bargaining unit assignment;
- (2) Authorizing the local school board of the charter school to negotiate a memorandum of agreement or supplemental collective bargaining agreement with the exclusive representative of the charter school employees;
- (3) Designating as the exclusive representative of all charter school employees, the employee organization certified by the Hawaii Labor Relations Board as the collective bargaining agent;
- (4) Designating the Charter School Administrative Office (CSAO) to distribute funds for cost items appropriated for and approved by the Legislature under a collective bargaining agreement, memorandum of agreement, or supplemental agreement covering charter school employees; and
- (5) Allowing these cost items to be funded from a charter school's existing allocation or its other sources of revenue, if CSAO deems it appropriate.

The Hawaii Government Employees Association and many concerned individuals testified in support of this measure. CSAO and the Hawaii State Teachers Association supported the intent of this measure. The Office of Collective Bargaining and Board of Education offered comments.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2609 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Cabanilla, Harbin and Souki.

**SCRep. 282-06 Education/Labor & Public Employment on H.B. No. 2551**

The purpose of this bill is to preserve the rights, privileges, and benefits of civil service employees of conversion charter schools by allowing them to retain their civil service status when promoted to another civil service position.

The Hookakoo Corporation, Hawaii Business Roundtable, Kualapuu School, and a concerned individual testified in support of this measure. The Department of Education (DOE), Department of Human Resources Development, Charter School Administrative Office, and Hawaii Government Employees Association supported the intent of this measure. The Board of Education offered comments.

Your Committees have amended this bill by:

- (1) Also allowing civil service employees at conversion charter schools to retain their civil service status when they take a voluntary demotion to another civil service position within DOE; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2551, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2551, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Cabanilla, Hale, Harbin, Ito, Souki, Ching and Meyer.

**SCRep. 283-06 Education/Agriculture on H.B. No. 1843**

The purpose of this bill is to ensure a pool of qualified individuals to support and maintain Hawaii's agriculture industry by establishing and appropriating funds for a comprehensive vocational agriculture education program in the public schools.

The Workforce Development Council of the Department of Labor and Industrial Relations, Hawaii State Teachers Association, Hawaii Farm Bureau Federation, Hawaii Crop Improvement Association, and Economic Development Alliance of Hawaii testified in support of this bill. The Department of Agriculture supported the intent of this measure.

As affirmed by the records of votes of the members of your Committees on Education and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1843 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Harbin, Herkes, Kahikina, Magaoay, Waters and Stonebraker.

**SCRep. 284-06 Public Safety & Military Affairs on H.B. No. 3232**

The purpose of this bill is to compile and update annually information relating to disaster hazards into a manageable electronic form by:

- (1) Directing the State Civil Defense Division to work with knowledgeable parties to compile and update the information; and
- (2) Establishing a Commission on Disaster Hazard Information to oversee the process.

The Environmental Center testified in support of this bill. The Department of Defense supported the intent of this measure.

Your Committee finds there is a collection of information and maps from various sources for lava flows, tsunamis, and earthquakes. However, accurate information on other disasters such as floods, hurricanes, and rock slides are not readily available. In addition, your Committee feels it is important to protect the safety of citizens and mitigate the potential damage caused by a natural disaster.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3232 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 285-06 Public Safety & Military Affairs on H.B. No. 2444**

The purpose of this bill is to prohibit the State and counties from expending federal funds under the State Homeland Security Program unless the Department of Defense submits a detailed expenditure report and homeland security plan.

A concerned individual supported this measure. The Department of Defense and Department of Transportation opposed this bill.

Your Committee finds that this bill will allow for accountability and communication of expenditures and security planning between the Department of Defense and the Legislature and public.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2444, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shimabukuro.  
(Representative Moses voted no.)

**SCRep. 286-06 Public Safety & Military Affairs on H.B. No. 2448**

The purpose of this bill is to enhance security in our detention facilities by upgrading their surveillance systems. This bill appropriates funds for a consultant to determine the costs of upgrading the facilities' surveillance systems.

The Department of Public Safety (DPS) testified in support of this bill.

Your Committee has amended this measure by:

- (1) Referring to DPS's facilities as correctional facilities instead of detention facilities; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2448, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2448, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 287-06 Hawaiian Affairs/Water, Land, & Ocean Resources on H.B. No. 2930**

The purpose of this bill is to preserve Hawaiian traditional and customary gathering practices by:

- (1) Establishing a pilot project that designates areas within public parks in Waianae to maintain plants and trees for Hawaiian traditional and customary gathering practices;
- (2) Requiring the Department of Land and Natural Resources (DLNR) to submit a report to the Legislature on the Hawaiian traditional and customary gathering practices program and the feasibility of operating the program in all public parks statewide; and

- (3) Appropriating an unspecified amount of funds for the pilot project.

Several concerned individuals testified in support of this bill. DLNR provided comments.

Your Committees have amended this bill by:

- (1) Removing the height limit requirement for trees in the pilot program;
- (2) Specifying the amount of appropriation as \$500,000; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2930, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2930, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Harbin, Waters and Finnegan.

**SCRep. 288-06 Consumer Protection & Commerce/Health on H.B. No. 1872**

The purpose of this bill is to establish a means of increasing access to affordable prescription drugs by allowing consumers, the State, and other affected parties to obtain an injunction, damages, and other relief when a drug manufacturer or its licensee sells drugs for an excessive price.

The ILWU Local 142, Policy Advisory Board for Elder Affairs, and National Legislative Association on Prescription Drug Prices testified in support of this bill. Pharmaceutical Research and Manufacturers of America opposed this bill.

Your Committees find that Americans pay the world's highest drug prices. We paid 81 percent more for patented brand-name drugs last year than buyers in Canada and six western European countries. This bill provides a vehicle for a consumer or provider to challenge this excessive pricing by showing that a drug is priced 30 percent over the price for the same drug in any of four, high income, industrialized countries. The drug industry must then explain why these medications cannot be priced more reasonably.

Your Committees hope that the Committee on Judiciary will review this bill's suggested legal process for practicality and reasonableness. To continue discussion on this measure, the bill's effective date has been changed to July 1, 2050. In addition, technical, nonsubstantive amendments were made for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1872, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1872, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Caldwell, Ito, Schatz, Souki and Stonebraker.

**SCRep. 289-06 Consumer Protection & Commerce/Health on H.B. No. 1873**

The purpose of this bill is to protect the confidentiality of patient prescription information by making transfer or sale of this information by pharmacy benefits managers, insurance companies, electronic transmission intermediaries, or retail, mail order, or Internet pharmacies, punishable as an unfair or deceptive act or practice in the conduct of any trade or commerce under section 480-2, Hawaii Revised Statutes.

The ILWU provided testimony supporting this bill. The Board of Pharmacy and Department of Public Safety supported the intent of the bill.

In light of the concerns expressed by the Board of Pharmacy and Department of Public Safety, the effective date of this bill was changed to July 1, 2050 to allow further discussion of the measure. Technical, nonsubstantive amendments were also made for purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1873, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1873, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Caldwell, Ito, Schatz and Stonebraker.

**SCRep. 290-06 Consumer Protection & Commerce on H.B. No. 2076**

The purpose of this bill is to provide minors with access to medical care and services other than elective-cosmetic surgery by:

- (1) Allowing a minor to consent to the provision of care and services if it is determined by a physician that:
- (A) The minor understands the significant benefits (A) and risks of the care proposed, and is able to communicate a decision; and
- (B) The care and services are for the minor's benefit;
- and

- (2) Providing immunity from civil or criminal liability for persons who rely on the physician's determination and in good faith render medical care and services, except for grossly negligent or wanton actions or omissions.

Your Committee received testimony from Hale Kipa, Waikiki Health Center, Hawaii Youth Services Network, Hawai'i Primary Care Association, and a concerned individual in support of this bill. The Hawaii Medical Service Association, Hawaii Family Forum and Hawaii Catholic Conference submitted testimony in support of the intent of the measure. Kaiser Permanente commented on this bill.

Your Committee has amended this measure by:

- (1) Allowing a minor enrolled in a managed care or health insurance plan to request the medical care to be kept confidential; and
- (2) Allowing the plan to accommodate these requests, consistent with regulations under the federal Health Insurance Portability and Accountability Act.

This amendment will provide direction to health care providers, health plans, and minors concerning confidential information and avoid misunderstandings concerning the disclosure of this information when treatment claims are submitted to a health care plan.

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2076, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.B. No. 2076, H.D. 2.

Signed by all members of the Committee except Representatives Ito, Kanoho, Morita and Stonebraker.

**SCRep. 291-06 Health/Human Services on H.B. No. 2106**

The purpose of this measure is to exempt the purchase of medical services and equipment from the general excise tax.

Your Committees received favorable testimony from the Hawaii Coalition of Care Home Administrators and the Healthcare Association of Hawaii. Your Committee also received testimony from the Department of Taxation and the Tax Foundation of Hawaii commenting on the measure.

Your Committees find that the rising cost of healthcare in Hawaii not only disproportionately impacts the poor, but also exceeds the inflation rate of the economy. To address this problem, this bill attempts to offset rising healthcare costs by exempting purchases of medical supplies and equipment from the general excise tax.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2106 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 292-06 Housing on H.B. No. 1852**

The purpose of this bill is to develop more affordable housing by appropriating funds to acquire, through eminent domain, and purchase land in Nanakuli for a public housing project.

The Iron Workers Local Union 625 Stabilization Fund and a concerned individual testified in support of this bill. Leeward Land LLC, opposed this measure. The Housing and Community Development Corporation of Hawaii did not support this bill.

Your Committee finds that the leeward coast has continued to be an area where large numbers of homeless reside. It is also an area most often discussed when considering a new landfill site. Residents of this community have expressed feelings of their area being the "dumping ground" of the state.

Your Committee does not use the term "eminent domain" without great thought and consideration. However, it supports individuals who do not want to see another landfill in their neighborhood. Although your Committee understands the concerns of the landowner that the parcel may not be suitable for the development of a public housing project, it believes this measure is worthy of further discussion.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1852 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Halford.

**SCRep. 293-06 Housing on H.B. No. 1886**

The purpose of this bill is to preserve the inventory of low-income rental housing units by prohibiting the sale of certain low-income rental housing units in fee simple to private individuals.

The Affordable Housing and Homeless Alliance supported the intent of this bill. The Housing and Community Development Corporation of Hawaii and Land Use Research Foundation of Hawaii opposed this measure.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1886 and recommends that it pass Second Reading and be referred to the Committee on Finance.



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

**SCRep. 294-06      Housing on H.B. No. 2964**

The purpose of this bill is to encourage the development of affordable housing by authorizing the Hawaii Housing Finance and Development Administration to lease land to qualified nonprofit organizations for \$1 per year for up to 99 years.

The Self-Help Housing Corporation of Hawaii testified in support of this bill. The Housing and Community Development Corporation of Hawaii supported the intent of this measure.

Your Committee has been guided by the findings of the Joint Legislative Affordable Housing and Homeless Task Force (Task Force) to implement innovative solutions to reduce Hawaii's affordable housing and homeless crisis. The Task Force found that nonprofit organizations offered a number of innovative and cost-effective solutions to develop affordable housing, such as self-help housing.

The barrier to implementing these solutions is often the high cost and low availability of land. However, the Task Force identified parcels of state-owned land that may be suitable for development. This measure is intended to provide land to nonprofit organizations at very low cost for the development of affordable housing.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2964 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 295-06      Housing on H.B. No. 1853**

The purpose of this bill is to provide financial relief to low-income renters who pay more than \$1,000 in rent during a taxable year by adjusting the low-income renters tax credit as follows:

- (1) For taxpayers with an adjusted gross income of \$30,000 or less, increasing the tax credit from \$50 to \$100; and
- (2) For taxpayers with an adjusted gross income greater than \$30,000 and equal to or less than \$50,000, establishing a tax credit of \$75.

The Housing and Community Development Corporation of Hawaii supported the intent of this bill. The Department of Taxation and the Attorney General offered comments.

Your Committee has amended this bill by:

- (1) Clarifying that the tax credit applies to taxpayers who paid rent for a primary residence in the state; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1853, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1853, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kawakami, Sonson, Halford and Pine.

**SCRep. 296-06      Housing on H.B. No. 2239**

The purpose of this bill is to preserve affordable housing by:

- (1) Appropriating funds to acquire the Kukui Gardens property;
- (2) Requiring that at least 50 percent of the property be retained in perpetuity as affordable housing for households with incomes at or below 140 percent of the median family income; and
- (3) Requiring eminent domain proceedings if the acquisition is unsuccessful.

Partners in Care and the Hawaii Realtors Association testified in support of this bill. The Housing and Community Development Corporation of Hawaii supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Requiring that 100 percent of the property, upon its acquisition, be retained for affordable housing for households with incomes at or below 120 percent of the median family income; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2239, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2239, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Green, Sonson and Halford.

**SCRep. 297-06 Human Services/Judiciary on H.B. No. 2371**

The purpose of this bill is to provide an emergency appropriation to improve operations at the Hawaii Youth Correctional Facility for the remaining part of the 2005-2006 fiscal year.

The Office of Youth Services (OYS) and the Hawaii Disability Rights Center testified in support of this measure. OYS testified that the Governor recommended the immediate passage of this bill, given the serious nature of the findings issued by the Civil Rights Division of the U.S. Department of Justice.

As affirmed by the records of votes of the members of your Committees on Human Services and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2371 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hale, Kahikina, B. Oshiro, Souki, Halford, Stonebraker and Thielen.

**SCRep. 298-06 Human Services/Health on H.B. No. 1822**

The purpose of this bill is to expand the availability of long-term care services by increasing from two adults to three, the maximum number of adults that community care foster family homes may serve at any one time.

The Hawaii Disability Rights Center, Case Management Council, Adult Foster Home Association of Hawaii, and numerous concerned individuals testified in support of this bill. The Department of Human Services supported the intent of this measure.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1822 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 299-06 Human Services/Health on H.B. No. 2910**

The purpose of this bill is to provide health care coverage for Hawaii's uninsured residents by:

- (1) Prohibiting the Department of Human Services (DHS) from imposing any cap on enrollment in the State's QUEST Program; and
- (2) Appropriating an unspecified sum to pay for this expanded health care coverage;

thereby enabling income- and asset-eligible adults to enroll in the QUEST Program.

The Healthcare Association of Hawaii, Hawaii Primary Care Association, and the Waianae Coast Comprehensive Health Center testified in support of this bill. DHS also supported this bill, provided that its passage does not affect priorities in the Executive Supplemental Budget. The Hawaii Uninsured Project offered comments.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2910 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 300-06 Human Services/Health on H.B. No. 2097**

The purpose of this bill is to provide caregivers with some financial relief by providing a \$1,000 tax credit to every eligible caregiver, providing care to one or more elderly relatives requiring such care.

The ILWU Local 142, Kokua Council, Hawaii Alliance For Retired Americans, National Multiple Sclerosis Society, Faith Action for Community Equity, Policy Advisory Board for Elderly Affairs, and several concerned individuals testified in support of this bill. The Department of Taxation (DOTAX) supported the intent of this measure. The Tax Foundation of Hawaii offered comments.

Your Committees recognize that a growing number of families in Hawaii are caring for loved ones in their homes. Many individuals who provide care sacrifice their time and personal savings to care for family members with little outside support.

DOTAX noted several issues that need clarification, including its concern that it is not feasible for DOTAX to enforce compliance with all applicable federal, state, and county statutes, rules, and regulations. DOTAX also noted that a provision for the recapture of tax credits may not be necessary since the tax credit must be claimed after the year in which the eligible caregiver provided care.

Accordingly, your Committees have amended this bill by:

- (1) Clarifying that the tax credit is nonrefundable;
- (2) Clarifying that an eligible taxpayer must meet all three parts of a qualifying test;
- (3) Clarifying that only one caregiver per household may claim a tax credit;
- (4) Removing references that a caregiver must comply with all applicable federal, state, and county statutes, rules, and regulations to claim a tax credit;

- (5) Removing the recapture provision; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2097, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2097, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 301-06 Human Services on H.B. No. 2365**

The purpose of this bill is to:

- (1) Clarify notice of hearing requirements; and
- (2) Expand opportunities for foster parents to attend all hearings under the Child Protective Act.

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

Your Committee has amended this bill by:

- (1) Naming foster parents as parties for purposes of the hearings;
- (2) Authorizing DHS to designate former foster parents as parties, if necessary; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2365, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2365, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 302-06 Housing/Water, Land, & Ocean Resources on H.B. No. 2566**

The purpose of this bill is to promote near-term development of affordable housing near Honolulu's urban core by:

- (1) Establishing the Kakaako Affordable Housing Development Program (Program) and the Kakaako Affordable Housing Development Fund (Fund);
- (2) Providing subsidies and other assistance from the Fund for new construction, rehabilitation, acquisition, or preservation of qualifying multifamily ownership housing units for households with incomes at or below 140 percent of the median family income;
- (3) Appropriating \$60,000,000 to the Fund; and
- (4) Repealing the Program and Fund on June 30, 2011.

The Hawaii Community Development Authority and Self-Help Housing Corporation of Hawaii testified in support of this bill. Several concerned individuals supported this measure with amendments. A concerned individual opposed this bill.

Your Committees find that more affordable housing is needed in Honolulu's urban core. Currently, families seeking affordable housing on Oahu are often forced to move to areas on the Leeward Coast because of urban Honolulu's high housing costs.

Your Committees would like to emphasize that a need exists not only for homeownership but also for affordable housing rentals in Honolulu and that more housing options are needed for households with incomes at or below 80 percent of the median family income.

As affirmed by the records of votes of the members of your Committees on Housing and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2566 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Schatz, Sonson and Meyer.

**SCRep. 303-06 Water, Land, & Ocean Resources/Transportation on H.B. No. 2875**

The purpose of this bill is to reduce user conflicts among fishers at Kahului Harbor by repealing the restriction on net fishing in Kahului Harbor when the administrative rules amendments adopted by the Department of Land and Natural Resources (DLNR) become effective.

DLNR testified in support of this bill.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Transportation that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2875 and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Berg, Caldwell, Carroll, Ito, Shimabukuro, Waters and Meyer.

**SCRep. 304-06 Water, Land, & Ocean Resources/Transportation on H.B. No. 2533**

The purpose of this bill is to facilitate county projects that may need state capital improvements by:

- (1) Authorizing the counties to impose impact fees for state capital improvement projects;
- (2) Authorizing, rather than mandating, the counties to consider certain factors in imposing impact fees and deleting offsets payable to a developer from those factors;
- (3) Replacing the requirement that a county cannot collect impact fees before the approval of a Needs Assessment Study (study), with the requirement that public facility capital improvements are specifically identified in a county comprehensive plan, an approved study, or for an approved state capital improvement project; and
- (4) Authorizing the transfer to the State of road and highway impact fees for state projects reasonably benefiting the development.

The Department of Transportation and the County of Hawaii testified in support of this bill. The Department of Education supported the intent of this measure. The Department of Planning and Permitting of the City and County of Honolulu supported this bill with amendments. The Land Use Research Foundation of Hawaii (LURF) opposed this measure.

LURF raised concerns that these amendments will discourage development because developers will participate in a process that is open and fair, not one that is uncertain and unfair. However, your Committees recognize that these amendments are necessary to enable the counties to continue capital improvement projects. Therefore, your Committees believe that this measure deserves further discussion in subsequent committees despite the concerns raised.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Transportation that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2533 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Caldwell, Carroll, Ito, Shimabukuro, Waters and Meyer.  
(Representative Moses voted no.)

**SCRep. 305-06 Transportation/Health on H.B. No. 2640**

The purpose of this bill is to enhance the statewide program on parking for persons with disabilities by:

- (1) Requiring, rather than allowing, counties to issue removable and temporary removable windshield parking placards (placards) and replacement placards on behalf of the State; and
- (2) Requiring the State to reimburse the counties for issuing the placards.

The State Council on Developmental Disabilities, Disability and Communication Access Board, Department of Finance of the County of Maui, and a concerned individual testified in support of this bill. The Department of Customer Services of the City and County of Honolulu supported the intent of this bill.

The State currently operates the program on parking for persons with disabilities and uses the services of the counties to issue placards to qualified persons with disabilities. At present, reimbursement rates are administratively established at \$10 per placard and an additional \$10 for a replacement placard. However, this reimbursement fee only covers a fraction of the administrative costs of issuing placards. Your Committees find that statutorily establishing the reimbursement rate with adjustments for inflation, as well as requiring, rather than allowing, counties to issue placards ensures the integrity and permanency of the statewide program on parking for persons with disabilities.

Your Committees understand concerns raised by DCAB about their abilities as an agency to determine rates of inflation. However, your Committees find that this is beyond the purview of the Committees on Transportation and Health and respectfully requests the Committee on Finance to look further into this matter.

As affirmed by the records of votes of the members of your Committees on Transportation and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2640 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Chong, Ito, Nakasone, Shimabukuro, Sonson, Halford and Moses.

**SCRep. 306-06 Transportation on H.B. No. 2217**

The purpose of this bill is to control noise emitted by backup warning devices during late night and early morning hours. Specifically, this bill provides an option to turn off the audible reverse warning system on vehicles between the hours of 10:00 p.m. and 6:00 a.m., provided the vehicle is guided by a person other than the driver.

The Honolulu Police Department testified in support of this bill.

Although backup warning devices are designed to warn pedestrians and others behind a vehicle that the vehicle is reversing, noise emitted from these devices has become a nuisance in certain areas. Your Committee finds that if an individual is directing the driver of a vehicle as the vehicle is reversing, a backup warning device is unnecessary.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2217 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 307-06      Transportation on H.B. No. 2505**

The purpose of this bill is to clarify Hawaii's Commercial Driver's Licensing (CDL) law by adjusting the renewal period of a CDL with a hazardous materials (HAZMAT) endorsement.

The Department of Transportation, Department of Customer Services of the City and County of Honolulu, and Hawaii Transportation Association testified in support of this bill.

Currently, federal regulations require that CDL drivers with a HAZMAT endorsement must renew their license every five years. However, state law requires drivers under 72 years of age with a CDL to renew their license at six-year intervals. This has resulted in CDL drivers with a HAZMAT endorsement having two expiration dates on their licenses causing confusion. Your Committee finds that this bill will help alleviate this confusion.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2505 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 308-06      Transportation on H.B. No. 2509**

The purpose of this bill is to clarify that proof of the ability to respond in damages for liability, on account of motor vehicle accidents occurring subsequent to the effective date of such proof, is not required upon a conviction or a license suspension or revocation for violations of the provisional licensing law, unless ordered by a court.

The Division of Motor Vehicle, Licensing and Permits Administration of the City and County of Honolulu and Mothers Against Drunk Driving testified in support of this bill.

The requirement to provide proof of financial responsibility was intended to discourage driving after conviction of serious traffic offenses or after the suspension or revocation of a driver's license. Your Committee finds that violation of the provisional license requirements, with a subsequent suspension or revocation of the provisional license, does not constitute an offense serious enough to warrant proof of financial responsibility.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2509 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 309-06      Transportation on H.B. No. 3037**

The purpose of this bill is to improve the Graduated Drivers' Licensing Program by:

- (1) Providing notification to the driver's license examiner of all minors who have pending violations or proceedings that might result in the suspension or revocation of a provisional license, and any pending adjudication of an offense relating to the operation of a motor vehicle; and
- (2) Changing the term "conviction" to "adjudication" for violations of the law involving minors.

The Department of Transportation, Department of Customer Services of the City and County of Honolulu, Honolulu Police Department, and MADD-Hawaii testified in support of this bill.

Your Committee finds that legislation to increase driving restrictions on younger drivers nationwide has significantly reduced the number of traffic crashes involving teen drivers. Act 72, Session Laws of Hawaii 2005, established a graduated drivers' licensing system to provide drivers in the younger age group time to develop the skills necessary for safe driving under various conditions. However, while Act 72 requires that no pending proceedings or violations that might result in the suspension or revocation of an instruction permit in order to obtain a provisional license exist, this information is currently not released to a driver's license examiner from the family or district court in cases involving minors. This lack of information has resulted in the issuance of provisional licenses to individuals who have traffic infractions or pending proceedings against them. This is counterproductive to the provisional licensing law.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3037 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 310-06      Transportation on H.B. No. 3257**

The purpose of this bill is to improve traffic safety by simplifying the implied-consent requirements for testing a driver's breath, blood, or urine for intoxicants. Specifically, this measure provides that a law enforcement officer is only required to inform a suspect of possible sanctions that may be imposed for the suspect's refusal to take a test to determine alcohol concentration in the suspect's breath or blood or drug content of the suspect's blood or urine only if the person withdraws the consent to testing that is implied when operating a motor vehicle on a public highway or in the public waters of Hawaii.

The Department of Transportation, Department of the Prosecuting Attorney of the City and County of Honolulu, Honolulu Police Department, and Mothers Against Drunk Driving-Hawaii testified in support of this bill. The Office of the Public Defender and a concerned individual opposed this measure.

Hawaii has seen an increase in the number of alcohol-related traffic fatalities. Intoxicated drivers are a danger not only to themselves but also to other motorists and pedestrians.

In 2003, the Legislature passed a measure to clarify statutorily that police were required to warn the suspect of the period of administrative revocation of a driver's license and sanctions if the suspect refused to submit to testing. Previously, police were required to read multiple pages of information to an individual suspected of driving under the influence of an intoxicant (DUII) concerning the implications and future consequences of refusing to take a chemical test or taking a chemical test for the presence of intoxicants. The legislation passed in 2003 was an attempt to simplify the informed consent process for individuals suspected of DUII.

However, police officers are still required to read an inordinate amount of information to a suspect of DUII. This measure is an attempt to simplify this process while protecting the rights of the accused by clarifying that information on the consequences of refusing to submit to a blood, breath, or urine test only need to be read to an individual if the individual refuses to submit to such a test. Your Committee believes that this bill will support law enforcement and increase traffic safety.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3257 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 311-06      Transportation on H.B. No. 1902**

The purpose of this bill is to improve Hawaii's mass transit system. Specifically, this measure creates a Mass Transit Special Fund that will be managed by the Department of Transportation (DOT) and used for:

- (1) Providing grants-in-aid through legislative appropriation to the counties to implement or improve existing mass transit systems, including purchasing buses and subsidizing bus fares; and
- (2) Improving the State's van pool system.

The City Councilmember from District VIII and concerned individuals testified in support of this bill. The Department of Budget and Fiscal Services of the City and County of Honolulu supported the intent of this measure. The Department of Taxation opposed this bill.

Your Committee finds that most modern metropolitan areas around the world have a mass transit system to help alleviate traffic congestion and that a mode of convenient, reliable transportation other than the private automobile needs to be offered to help solve traffic problems statewide, especially on Oahu. Without a long-term, multimodal, mass transit solution, the situation will only worsen.

This measure would be a first step in the process of developing options for our long-range transportation strategy and provides the counties with a means by which to begin the process of planning for mass transit systems.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1902 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shimabukuro.  
(Representative Stevens voted no.)

**SCRep. 312-06      Transportation on H.B. No. 2736**

The purpose of this bill is to support and promote the historical preservation of Hana Highway on Maui by appropriating funds to post signs identifying each bridge on the Hana Highway by its Hawaiian name and explaining the English meaning of the Hawaiian name.

The Department of Transportation testified in support of the intent of this bill.

Your Committee finds that Hana Highway is a historic roadway and adding signage identifying the bridges along the highway will enhance its historical preservation.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2736 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 313-06      Water, Land, & Ocean Resources on H.B. No. 2652**

The purpose of this bill is to provide enhanced protection of Hawaii's natural and cultural resources by appropriating funds to increase the number of positions at the Department of Land and Natural Resources (DLNR) Division of Conservation and Resources Enforcement by 50 percent, from 124 to 186 positions.

The Conservation Council for Hawaii, The Nature Conservancy of Hawaii, Hawaii's Thousand Friends, and a concerned individual supported this bill. DLNR submitted comments.

Your Committee notes that the existing personnel within DLNR may be required to cover too large an area to be effective. Your Committee also notes that DLNR indicated in its testimony that it has made a separate request for funding in the supplemental budget to pay for contract security guards. By passing this measure, it is the intent of your Committee to continue the discussion regarding how best to improve enforcement at state parks and recreational harbors.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2652 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morita, Schatz, Waters and Meyer.

**SCRep. 314-06 Water, Land, & Ocean Resources on H.B. No. 3093**

The purpose of this bill is to indemnify the State from liability for injury or damage to property, personal injury, or death caused by land or rock slides originating from state lands. Specifically, this bill limits state liability to when the State knew, or should have known, that a dangerous condition existed.

A concerned individual testified in support of this bill. The Department of Transportation supported the intent of the measure. Department of Land and Natural Resources (DLNR) and the Department of the Attorney General supported the bill with amendments. The Consumer Lawyers of Hawaii opposed this measure.

Your Committee has amended this bill by:

- (1) Removing the imposition of state liability in cases where the State knew, or should have known, that a dangerous condition existed;
- (2) Limiting state liability for property damage, personal injury, or death from land and rock slides to those circumstances where the State actually knew of a dangerous condition making it susceptible to land or rock slides, but the State failed to warn the affected persons or property owners, even though it had an opportunity to do so; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3093, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3093, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Berg and Carroll.  
(Representatives Schatz and Waters voted no.)

**SCRep. 315-06 Health on H.B. No. 2057**

The purpose of this bill is to honor certain cultural and religious practices by allowing hospitals, after appropriate testing for infections or hazards, to release a placenta to the woman from whom the placenta originated.

The Waikiki Hawaiian Civic Club, Native Hawaiian Legal Corporation, Kaiser Permanente Hawaii, Hawaii Women's Coalition, ACLU of Hawaii, Healthy Mothers, Healthy Babies Coalition of Hawaii, Papa Ola Lokahi, and numerous concerned individuals supported this bill. The Department of Health submitted comments.

Your Committee recognizes the value of respecting the diverse cultures and religious practices of the people of our state. Your Committee notes that the release of a placenta is done for religious and cultural reasons. It is the intent of your Committee to allow for the continuation of this practice only for religious and cultural reasons.

Your Committee has amended this measure by:

- (1) Allowing hospitals to release the placenta to an individual designated by the woman from whom the placenta originated; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2057, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2057, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Hale.

**SCRep. 316-06 Health on H.B. No. 3139**

The purpose of this bill is to effectuate its title.

H.B. No. 3139 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the action to report out H.B. No. 3139, as amended herein, and recommends that it be recommitted to the Committee on Health, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 3139, H.D. 1.

Signed by all members of the Committee.

**SCRep. 317-06 Health on H.B. No. 3140**

The purpose of this bill is to effectuate its title.

H.B. No. 3140 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the action to report out H.B. No. 3140, as amended herein, and recommends that it be recommitted to the Committee on Health, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 3140, H.D. 1.

Signed by all members of the Committee.

**SCRep. 318-06 Consumer Protection & Commerce on H.B. No. 2605**

The purpose of this bill is to effectuate its title.

H.B. No. 2605 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the action to report out H.B. No. 2605, as amended herein, and recommends that it be recommitted to the Committee on Consumer Protection & Commerce, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 2605, H.D. 1.

Signed by all members of the Committee except Representatives Ito, Kanoho, Morita and Stonebraker.

**SCRep. 319-06 Finance on H.B. No. 2273**

The purpose of this bill is to provide for anticipated expenditures resulting from the May 7, 2005, fire at Kalaheo Elementary School and an increase in the cost of property insurance premiums by making an emergency appropriation of \$1,500,000 into, and increasing the spending ceiling of the State Risk Management Revolving Fund.

The Department of Education and Department of Agriculture and General Services supported this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2273 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Kawakami.

**SCRep. 320-06 Finance on H.B. No. 2275**

The purpose of this bill is to cover statewide budgetary shortfalls in electricity payments for facilities managed by the Department of Accounting and General Services by making an emergency appropriation for fiscal year 2005-2006.

The Department of Accounting and General Services supported this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2275 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Kawakami.

**SCRep. 321-06 Finance on H.B. No. 2626**



The purpose of this bill is to:

- (1) Authorize the issuance of general obligation bonds; and
- (2) Provide a declaration of findings that issuance of authorized bonds will not cause the debt limit to be exceeded as mandated by the State Constitution.

The Department of Budget and Finance testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2626 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Kawakami.

**SCRep. 322-06 Water, Land, & Ocean Resources on H.B. No. 2761**

The purpose of this bill is to authorize the issuance of up to \$20,000,000 in special purpose revenue bonds (SPRBs) to assist Maui Land and Pineapple Company, Inc. (MLPC), in making improvements to irrigation systems on the island of Maui.

MLPC supported this bill. Earthjustice opposed this bill. The Department of the Attorney General and Department of Budget and Finance submitted comments.

Your Committee recognizes the critical importance of maintaining our irrigation systems. Water is the lifeblood of agriculture, and a stable, reliable source of water is essential to farmers in Hawaii.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2761 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 323-06 Water, Land, & Ocean Resources on H.B. No. 2942**

The purpose of this bill, as received, is to help preserve Hawaii's natural wildlife and forestry by:

- (1) Permitting for five years the hunting of feral pigs year-round in designated areas throughout the state; and
- (2) Providing a bounty per feral pig.

The Conservation Council for Hawaii, Hawaii Rifle Association, Pig Hunters Association of Oahu, and numerous concerned individuals testified in support of this bill. The Department of Land and Natural Resources and Animal Rights Hawaii opposed this measure.

Your Committee has amended this bill by:

- (1) Deleting the bounty per feral pig; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2942, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2942, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 324-06 Water, Land, & Ocean Resources on H.B. No. 3056**

The purpose of this bill is to restore and rehabilitate the resources of Kawai Nui Marsh (Marsh) in Kailua, Oahu, by clarifying the issues regarding the transfer of marsh lands from the City and County of Honolulu (City) to the State. This bill requires the City to:

- (1) Comply with the requirements of Act 47, Session Laws of Hawaii 1998, regarding:
  - (A) The transfer of lands to the State by July 1, 2006;
  - (B) The completion of flood control projects; and
  - (C) The entering into an agreement for the State to manage the economic, ecological, and cultural resources of the Marsh;

and
- (2) Continue to maintain Kaelepulu Draining Channel and all feeder drains to that Channel.

Hawaii's senior United States Senator, the City's Departments of Design and Construction and Facility Maintenance, the United States Army Corps of Engineers (ACOE), Conservation Council for Hawaii, Windward Ahupuaa Alliance, and Hawaii's Thousand Friends testified in

support of this bill. Ahahui Malama I Ka Lokahi supported the intent of this measure. The Department of Land and Natural Resources (DLNR) opposed this bill. A concerned individual offered comments.

Your Committee finds that this on-going delay between the City and State regarding the overall management of the Marsh could be addressed if the City were to maintain the flood control systems, including Kaelepulu Drainage Channel, Oneawa Canal, and the levee. Historically, flood control has been a county responsibility. Section 46-11.5, Hawaii Revised Statutes, clearly requires the counties to maintain channels, streambeds, streambanks, and drainageways. Your Committee further finds that DLNR lacks the expertise, resources, personnel, and experience for flood control maintenance. Its expertise lies in the management of the natural and cultural resources of the Marsh. Therefore, the maintenance of flood control duties should not be split between the City and the State, but should lie exclusively with the City.

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

- (1) Amending Act 47 as follows:
  - (A) By excluding references to lot 2-b from the transfer of a parcel from the City to the State;
  - (B) By excluding the levee system that runs from Kailua Road to Oneawa Canal as part of the transfer of land to the State;
  - (C) By repealing the requirement that the transfer of land is contingent on the City and ACOE first having completed all pending flood control projects to DLNR's satisfaction; and
  - (D) By repealing the requirement that the City and State enter into a lease or agreement for DLNR to manage the economic, ecological, and cultural resources of the Marsh;
- (2) Deleting the provision that the City must comply with the requirements of Act 47 by July 1, 2006;
- (3) Transferring a parcel (TMK no. 4-2-13:22) to the State in fee simple;
- (4) Clarifying that the City and State may enter into an agreement for the maintenance or operations of any part of the Marsh;
- (5) Clarifying that nothing in this bill requires the State to maintain any flood control program relating to the Marsh;
- (6) Providing that should a dispute arise between the transfer of parcels from the City to the State, the State shall have an easement in perpetuity over those parcels that DLNR needs to manage the resources of the Marsh;
- (7) Appropriating \$1 for the City to maintain and operate a portion of the Marsh as agreed to by the various parties;
- (8) Requiring that all land transfers be completed by September 1, 2006;
- (9) Amending the purpose section to clarify the history of land transfers and to emphasize the importance for the State to assume primary responsibility over the resources of the Marsh; and
- (10) Making technical, nonsubstantive amendments for consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3056, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3056, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 325-06 Water, Land, & Ocean Resources/Transportation on H.B. No. 2633**

The purpose of this bill is to allow any county of Hawaii to assess impact fees to help pay for state highway improvements needed to service new developments.

The Department of Transportation, Mayor of the County of Hawaii, and Land Use Research Foundation of Hawaii supported this bill.

Your Committees note that under existing law, only the City and County of Honolulu may assess impact fees for development. However, development impacts every county of the state. This measure allows other counties the same authority to assess impact fees to pay for state highway improvements needed to service the new developments.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Transportation that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2633 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Caldwell, Carroll, Ito, Shimabukuro, Waters and Meyer.

**SCRep. 326-06 Water, Land, & Ocean Resources/Transportation on H.B. No. 2888**

The purpose of this bill is to preserve Hawaii's natural and environmental assets by:

- (1) Requiring the Department of Transportation (DOT) to develop a statewide greenbelts strategy that incorporates existing and proposed non-motorized transportation and recreational master plans for each island; and

- (2) Establishing the greenbelts strategy steering committee to direct the statewide greenbelts strategy and requiring the committee to submit an action plan to the Legislature containing details for further development of a greenbelts strategy, including proposed timetables and budgets.

The Mayor of Maui County, a Councilmember of the Maui County Council, and Windward Ahupua'a Alliance submitted testimony in support of this bill. DOT opposed this bill. The Department of Land and Natural Resources and the Office of Information Practices submitted comments.

Your Committees note that DOT indicated that it already considers greenbelt strategies in its planning and that this bill would represent a duplication of existing efforts.

Your Committee, while cognizant of the potential for such duplication of efforts, has passed this measure to ensure that the Legislature continues discussion on this important issue.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Transportation that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2888 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Caldwell, Carroll, Ito, Shimabukuro, Waters and Meyer.

**SCRep. 327-06 Energy & Environmental Protection/Water, Land, & Ocean Resources on H.B. No. 2174**

The purpose of this measure is to establish a groundwater protection program to develop strategies to protect groundwater from chemical contamination associated with the use of chemicals on land development projects.

Your Committees received testimony on a proposed H.D. 1 of this measure. The purpose of the proposed H.D. 1 is to more effectively enforce the use of environmental covenants in our State by:

- (1) Authorizing the Director of Health to enter into environmental covenants and issue orders compelling compliance with environmental covenants;
- (2) Establishing an administrative penalty for violation of environmental covenants; and
- (3) Authorizing state-instituted civil actions to recover penalties that are not paid.

The Department of Health testified in support of the proposed H.D. 1. The Land Use Research Foundation of Hawaii and two concerned citizens submitted testimony in opposition to the proposed H.D. 1.

Your Committees have amended this measure by:

- (1) Replacing its contents with the language of the proposed H.D. 1 relating to environmental covenants; and
- (2) Clarifying that the contested case hearing process and penalty proposed by the bill are administrative in nature.

Your Committees also note that the issue of civil and administrative penalties for violations of environmental covenants merits further examination and discussion by subsequent committees.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2174, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2174, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 328-06 Energy & Environmental Protection on H.B. No. 2314**

The purpose of this bill is to promote the use of energy efficient electrical appliances by offering tax incentives in the form of income tax credits for certain Energy Star approved appliances.

The Department of Taxation, Department of Business, Economic Development, and Tourism, Consumer Advocate, Hawaii Island Chamber of Commerce, Hawaiian Electric Company, Inc., Maui Electric Company, Hawaii Electric Light Company, Sierra Club, Hawaii Chapter, and the Conservation Council for Hawaii testified in support of this bill. The Tax Foundation of Hawaii provided comments.

Your Committee acknowledges that the Public Utilities Commission currently has an energy efficiency docket to review the issue of rebates for washing machines and dishwashers. These types of rebates may be a more practical way to incentivize the purchase of Energy Star appliances and equipment.

Further, your Committee notes that there was a discrepancy in the Department of Taxation's (DOTAX) projected state revenue impact, between \$2.5 million and \$7.5 million. DOTAX originally testified that the revenue impact would be \$7.5 million, then changed its figure to \$2.5 million, after clarification. Your Committee respectfully requests your Committee on Finance to more closely examine these figures.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2314 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Harbin.

**SCRep. 329-06 Economic Development & Business Concerns on H.B. No. 2805**

The purpose of this bill is to provide for the sustainability of Hawaii by:

- (1) Extending the deadline for the Auditor to submit the "Hawaii 2050 Sustainability Plan" by an additional year, to December 2007; and
- (2) Extending the authority of the Hawaii 2050 Task Force to June 30, 2008.

The Office of the Auditor and the Department of Business, Economic Development, and Tourism testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2805 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Herkes and Yamashita.

**SCRep. 330-06 Economic Development & Business Concerns on H.B. No. 2806**

The purpose of this bill is to promote the sustainability of Hawaii by appropriating funds to the Hawaii 2050 Sustainability Task Force to continue its efforts in analyzing policy, gathering research, soliciting community input, and launching public-education campaign.

The Office of the Auditor testified in support of this bill. The Department of Business, Economic Development, and Tourism supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2806 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Herkes and Yamashita.

**SCRep. 331-06 Economic Development & Business Concerns on H.B. No. 2878**

The purpose of this bill is to improve Hawaii's economy and promote the production of renewable energy by issuing special purpose revenue bonds for Tradewinds Forest Products, LLC, to harvest and process eucalyptus timber on the Big Island. The process will produce electric power for its own use and for sale back to Hawaiian Electric Light Company.

Tradewinds Forest Products, LLC, testified in support of this bill. The Sierra Club, Hawaii Chapter, opposed this measure. The Department of Budget and Finance offered comments.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2878 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Herkes and Yamashita.

**SCRep. 332-06 Economic Development & Business Concerns on H.B. No. 3077**

The purpose of this bill is to increase affordable housing in the state by authorizing the issuance of up to \$15,000,000 in special purpose revenue bonds for Rosette Steel Hawaii to manufacture steel products for affordable housing development.

Rosette Steel Hawaii, LLC, testified in support of this bill. The Department of Budget and Finance offered comments.

Your Committee notes that although this bill refers to "Rosette Steel Hawaii," the proper name of the company is "Rosette Steel Hawaii, LLC" and respectfully requests your Committee on Finance to correct this oversight.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3077 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Herkes and Yamashita.

**SCRep. 333-06 Economic Development & Business Concerns on H.B. No. 3019**

The purpose of this bill is to ensure the continued success and growth of Hawaii's high technology sector by establishing a High Technology Task Force (Task Force), charged with creating a high technology master plan for the state.

The Department of Business, Economic Development, and Tourism testified in support of this bill. The High Technology Development Corporation and the Hawaii Science and Technology Council supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Clarifying the purpose of the State Private Investment Fund as a state-secured fund that helps companies in the later-stages of growth;

- (2) Establishing the Task Force within the High Technology Development Corporation, instead of the Department of Business, Economic Development & Tourism;
- (3) Adding the President of the University of Hawaii as the 15<sup>th</sup> member of the Task Force;
- (4) Replacing the Hawaii Technology Trade Association with the Hawaii Science and Technology Council;
- (5) Requiring the Governor to select three Task Force members from among a list of nominees submitted by the Senate President and the Speaker of the House of Representatives;
- (6) Specifying that the Task Force meet quarterly, instead of monthly;
- (7) Eliminating the need for the Task Force to evaluate Act 221, Session Laws of Hawaii 2001;
- (8) Requiring the Task Force to submit a report every December;
- (9) Appropriating funds for the Task Force's administration; and
- (10) Changing the effective date to July 1, 2006, for appropriation purposes.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3019, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3019, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Yamashita and Ching.

**SCRep. 334-06 Economic Development & Business Concerns on H.B. No. 3058**

The purpose of this bill is to attract high technology development opportunities to the state by exempting the High Technology Innovation Corporation (HTIC) from state laws regarding management of state funds, deposit of public funds, and state audit and accounting. Exempting HTIC from these laws will allow HTIC to establish bank accounts outside of the state and more effectively manage offices located overseas.

HTIC submitted testimony in support of this bill. The Department of Budget and Finance opposed this measure.

Your Committee has amended this bill by:

- (1) Authorizing HTIC to establish operational bank accounts of foreign denominations in out-of-state locations without the approval of the Director of Budget and Finance or the Comptroller; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3058, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3058, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Yamashita and Ching.

**SCRep. 335-06 Public Safety & Military Affairs on H.B. No. 2332**

The purpose of this bill is to correct constitutional problems in the law regulating private detectives and guards.

Specifically, this bill:

- (1) Repeals the requirement that a principal detective or principal guard must be a resident of the State for the agency to maintain its licensure;
- (2) Requires the principal detective or principal guard to be fully responsible with regard to the direct management and control of the agency and its employees; and
- (3) Allows an agency to employ more than one principal detective or principal guard.

The Board of Private Detectives and Guards testified in strong support of this bill.

Your Committee finds that this measure will codify the policy of allowing an out-of-state principal detective or principal guard to operate an in-state agency. Your Committee also finds that this measure is necessary in view of the Department of the Attorney General's determination that the existing law is unconstitutional.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2332 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

**SCRep. 336-06 Public Safety & Military Affairs on H.B. No. 3226**

The purpose of this bill is to establish a tax credit for improvement and renovation costs to make high rise buildings more resistant to natural disasters.

The Hawaii Council of Associations of Apartment Owners testified in support of the intent of this measure. The state Department of Defense supported the intent of this measure, but deferred to the Department of Taxation. The Department of Taxation opposed the measure, while the Tax Foundation of Hawaii submitted comments.

Your Committee finds that this measure will assist apartment owners to incorporate important safety measures into high rise buildings to protect themselves against hurricanes, earthquakes, tsunamis, or floods.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3226 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 337-06 Public Safety & Military Affairs on H.B. No. 3231**

The purpose of this bill is to establish the Prepared Emergency Response Plan Commission (Commission) to:

- (1) Develop a unified strategy for federal, state, and county mitigation programs; and
- (2) Increase preparedness and public awareness to natural disasters.

A concerned individual testified in support of this bill. The Department of Defense supported the intent of the measure.

Your Committee finds the proposed Commission would promote regular communication at high levels of federal, state and county governance. In addition, this Commission will ensure the effective planning, coordination, and preparation for a natural disaster.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3231 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 338-06 Public Safety & Military Affairs on H.B. No. 2595**

The purpose of this bill is to strengthen the relationship between inmates and family members by restricting the Department of Public Safety from canceling pre-approved and pre-scheduled family visits with inmates.

The Community Alliance on Prisons, A Woman's Voice International, and several concerned citizens supported this bill. The Department of Public Safety testified that it did not support this measure.

Your Committee finds that families are a valuable resource to offenders during their incarceration. In addition, the support of family members plays a key role in an offender's rehabilitation, transition, and successful re-entry into the community.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2595 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shimabukuro.  
(Representative Moses voted no.)

**SCRep. 339-06 Public Safety & Military Affairs on H.B. No. 3092**

The purpose of this bill is to expand the Halawa correctional facility.

More specifically, the measure directs the Governor and the Department of Public Safety to sell the Oahu Community Correctional Center facility and to use the proceeds to repay the debt incurred by the State for expanding the Halawa Correctional Facility to accommodate the functions of the Oahu Community Correctional Center.

Colliers, Monroe, Friedlander, Inc. testified in support of this bill. The Department of Public Safety did not support this bill. The Community Alliance on Prisons had no position, but offered comments.

Your Committee believes that, due to continued controversy over a new correctional facility site, the combination of existing facilities warrants further discussion.

Your Committee has amended this measure by:

- (1) Replacing the word "sale" with the phrase "sale or exchange" at page 1, line 3, and page 2, line 12;
- (2) Changing the effective date to January 1, 2050, to facilitate further discussion; and
- (3) Making technical nonsubstantive changes for clarity and style.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3092, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3092, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 340-06 Housing on H.B. No. 2598**

The purpose of this bill is to provide for the housing needs of seniors by establishing the Elderly Housing Renovation Revolving Loan Fund (Fund) to provide low-interest loans to eligible persons 55 years-of-age or older to renovate their homes.

The County of Maui Department of Housing and Human Concerns, Maui County Office on Aging, and Self-Help Housing Corporation of Hawaii testified in support of this bill. The Housing and Community Development Corporation of Hawaii (HCDCH) offered comments.

Your Committee recognizes that many seniors are living on fixed incomes and live in older dwellings that may require renovations to meet basic safety requirements, and believes this measure merits further discussion.

Your Committee respectfully requests the Committee on Finance to review some of the provisions in this bill, including maximum loan amounts and income requirements, and to consider a recommendation by HCDCH to allow administrative expenses to be paid from the entire Fund.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2598 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 341-06 Housing on H.B. No. 2990**

The purpose of this bill is to assist low- and moderate-income homebuyers by providing a tax credit of up to 20 percent of the annual mortgage interest payment.

UniDev, LLC, testified in support of this bill. The Department of Taxation opposed this measure. The Tax Foundation of Hawaii offered comments.

Your Committee discussed this measure at length and found that a similar federal program currently exists. However, the federal program is not well known. Your Committee is dedicated to looking at a variety of solutions to solve Hawaii's affordable housing crisis and believes this measure is worthy of further discussion.

Accordingly, your Committee has amended this bill by:

- (1) Referencing Section 25 of the Internal Revenue Code in the bill;
- (2) Allowing an eligible taxpayer to claim the state credit only if the taxpayer is not claiming the federal credit;
- (3) Limiting the credit to first-time homebuyers; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2990, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2990, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 342-06 Water, Land, & Ocean Resources on H.B. No. 2943**

The purpose of this bill is to assist victims of the Manoa flood of late October 2004 by establishing a one-time, nonrefundable income tax credit, capped at \$2,000 per taxpayer, for ten percent of the total loss or \$500, whichever is greater, related to damage to a taxpayer's real or personal property caused by heavy rain and flooding.

Several concerned individuals supported this bill. The Department of Taxation supported the intent of this measure. The Tax Foundation of Hawaii submitted comments.

Your Committee recognizes the extensive damage and substantial hardships caused by the severe flooding and rainstorms in Manoa. However, several concerns were raised regarding specific provisions of the tax credit contained in this bill, including the amount of the tax credit that may be claimed.

In light of these concerns, your Committee has amended this measure by:

- (1) Changing the amount of the tax credit to:
  - (A) The actual cost, not to exceed \$2,000 per taxpayer; or
  - (B) Ten percent of the total losses not to exceed \$2,000 per taxpayer,

for total losses related to the damage to a taxpayer's real or personal property caused by the heavy rain and flood in late October 2004, in Manoa, Oahu;

- (2) Inserting standard, "boilerplate" provisions usually contained in laws establishing tax credits as follows:
  - (A) Specifying that in the case of a partnership, S corporation, estate, trust, or association of apartment owners, the tax credit allowable is for expenses incurred and paid for by the entity for the taxable year;
  - (B) Establishing that if a deduction is taken under Section 179 of the Internal Revenue Code, no tax credit shall be allowed for that portion of the expenses for which the deduction is taken;
  - (C) Requiring that the basis of eligible property for depreciation or accelerated cost recovery system purposes for state income taxes be reduced by the amount of credit allowable and claimed; and
  - (D) Prohibiting taxpayers who claim the tax credit established in this bill for losses incurred from the Manoa flood from claiming any other credits for the same losses;
- (3) Clarifying that the \$2,000 limit on tax credits for each taxpayer is for the entire period for which the credit is available;
- (4) Specifying that the tax credit be codified under Chapter 235, Hawaii Revised Statutes, instead of simply Session Laws of Hawaii; and
- (5) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2943, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2943, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 343-06 Labor & Public Employment/Economic Development & Business Concerns on H.B. No. 2691**

The purpose of this bill is to ensure that employees are paid the prevailing wage by allowing a joint labor-management committee to pursue civil action against employers who fail to pay their employees the prevailing wage.

The Hawaii State Teachers Association and Hawaii Carpenters Union testified in support of this bill. The Department of Labor and Industrial Relations and Associated Builders and Contractors, Inc., Hawaii Chapter opposed this measure.

Your Committee finds that under current law, employees may take civil action against employers who do not pay prevailing wages; however, lack of information and resources often prevent employees from seeking redress. Allowing labor-management committees, who possess experience and expertise in the construction industry, to also pursue legal action against employers will help improve enforcement of the existing law.

As affirmed by the records of votes of the members of your Committees on Labor & Public Employment and Economic Development & Business Concerns that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2691 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Oshiro, Souki, Ching and Stevens.  
(Representatives Marumoto and Meyer voted no.)

**SCRep. 344-06 Labor & Public Employment/Economic Development & Business Concerns on H.B. No. 2692**

The purpose of this bill is to:

- (1) Require the Department of Labor and Industrial Relations (DLIR) to be responsible for ensuring compliance with the prevailing wage law when public work projects are not directly caused by a governmental contracting agency;
- (2) Require that the issuance of special purpose revenue bonds (SPRBs) be promptly reported to the DLIR to ensure that projects financed through SPRBs are considered public works projects to which state wage and hour laws apply; and
- (3) Clarify that a violation of the public works law refers to each project in which DLIR finds a failure to comply rather than to each investigation.

The International Brotherhood of Electrical Workers supported this bill. The DLIR and Associated Builders and Contractors opposed this measure.

Your Committees are concerned that the effective date may not provide DLIR with enough time for these new policies to be put into place and therefore requests the Finance Committee to consider changing the date.

As affirmed by the records of votes of the members of your Committees on Labor & Public Employment and Economic Development & Business Concerns that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2692 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Oshiro, Souki and Stevens.  
(Representatives Marumoto and Meyer voted no.)



**SCRep. 345-06 Health on H.B. No. 3017**

The purpose of this bill is to strongly discourage minors from using tobacco products by:

- (1) Requiring minors to complete a tobacco use cessation program for a first offense and repeat the program and perform community service for any subsequent offenses;
- (2) Requiring the issuance of a citation and providing for the use and processing of these citations in the same manner as a traffic infraction; and
- (3) Giving the district court jurisdiction over the offense and the offender.

The Honolulu Police Department, Hawaii Medical Association, Hawaii Food Industry Association, and numerous concerned students from Moanalua High School supported this bill. The Coalition for a Tobacco Free Hawaii supported the intent of this measure. The Department of Health did not support this bill. The Judiciary commented on this measure.

Your Committee has amended this bill by:

- (1) Removing the provision that a first offense will require participation in a smoking cessation program and replacing it with a 14-hour tobacco use education program;
- (2) Providing that for each of the first, second, third, and every subsequent violation of this section, a surcharge of \$25 must be paid to be deposited in to the Trauma Care Fund;
- (3) Establishing the number of hours of community service to be performed for each citation issued for using tobacco, increasing from 8 hours for the first offense, to 16 hours for the second offense and 32 hours for the third and every following offense;
- (4) Providing for the possibility of a fine of not less than \$50 but not more than \$100 for the first offense and mandating it for the second offense;
- (5) Denying the application for a provisional driver's license or suspending the license for a period of one year for a second offense, and mandating revocation of the license and suspension of the privilege to operate a motor vehicle for a minimum of one year and a maximum of two years for a third offense;
- (6) Mandating that a minor cited for a third offense, be referred to a tobacco cessation counselor;
- (7) Providing that Family or District Courts prescribe the form, content, and distribution of the citations issued to minors using tobacco products;
- (8) Providing the Family Court concurrent jurisdiction with the District Court; and
- (9) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3017, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3017, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Hale.

**SCRep. 346-06 Health on H.B. No. 2376**

The purpose of this bill is to provide critical emergency funding to meet emergency medical services expenses by:

- (1) Appropriating a total of \$7,154,735 for fiscal year 2005-2006 for various unexpected collective bargaining agreement costs, increases in fuel and other ambulance services operating costs, and contract ambulance billing and collection costs; and
- (2) Authorizing and appropriating an increase of \$441,721 in the Emergency Medical Services Special Fund (Special Fund) for fiscal year 2005-2006 to be used for increased costs in contract ambulance services for the counties of Maui and Kauai, and for payment of the Central Service Assessment and department administrative expenses.

The Department of Health, Honolulu Emergency Services Department, and a concerned individual supported this bill.

Your Committee has amended this measure by:

- (1) Changing the appropriation amount to \$5 for various unexpected collective bargaining agreement costs, increases in fuel and other ambulance services operating costs, and contract ambulance billing and collection costs, to encourage further discussion;
- (2) Changing the authorization and appropriation increase for the Special Fund to \$1 to facilitate further discussion; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2376, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2376, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Hale.

**SCRep. 347-06 Health on H.B. No. 2187**

The purpose of this bill is to ensure that the rural areas of Oahu are provided rapid emergency medical transport services by appropriating funds to the Department of Health (DOH) to contract with a government agency or a United States military branch to provide intra-island only roto-wing aeromedical services for rural Oahu.

The Queen's Medical Center, Hawaii National Guard Association and Hawaii National Guard Enlisted Association, Hawaii Air Ambulance, Inc., Pacific Medical Assets, Inc., and several concerned individuals supported this bill. The City and County of Honolulu (C&C) supported the intent of this measure. DOH opposed this bill.

Intra-island only roto-wing aeromedical services for rural Oahu is an invaluable service to ensure that necessary trauma care is reached quickly and efficiently for those who live in distant areas from an appropriately equipped trauma center.

Your Committee also recognizes the problems on the Neighbor Islands where reaching appropriate trauma care can be even more difficult. For example, Kauai is in need of roto-wing aeromedical services to supplement its fixed-wing transport system. Taking this broader perspective, the need to expand these services to the Neighbor Islands should be closely examined.

Your Committee has amended this bill by:

- (1) Providing one additional ground emergency medical services ambulance until the specified intra-island only roto-wing aeromedical services are secured to ensure maximum emergency transport coverage;
- (2) Directing that C&C share in the cost of this program; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2187, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2187, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 348-06 Health/Human Services on H.B. No. 3116**

The purpose of this bill is to ensure health care for all of Hawaii's children by establishing a temporary three-year Hawaii Children's Health Care Program in which the State, through the Department of Human Services (DHS), pays half the premiums for health care for uninsured children provided under a Hawaii Children's Health Care Program, a pilot program administered by the Hawaii Medical Service Association (HMSA).

HMSA and several concerned individuals supported this bill. The Department of Commerce and Consumer Affairs opposed this measure. The Department of the Attorney General and DHS commented on this bill.

Your Committees have amended this bill by:

- (1) Clarifying that the health care coverage for Hawaii's uninsured children will be provided by a public-private partnership between the State and a mutual benefit society that is established pursuant to Hawaii's Procurement Code;
- (2) Directing that any private organization wishing to create a similar partnership with the State to provide health care coverage for Hawaii's uninsured children must offer a plan equal to or better than the plan used by the Hawaii Children's Health Care Program pilot program; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3116, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3116, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 349-06 Consumer Protection & Commerce/Health on H.B. No. 1869**

The purpose of this bill is to increase prescription drug safety and the availability of accurate information on prescription drugs by:

- (1) Mandating that prescription drug clinical trial results be posted on the Internet;
- (2) Requiring prescription drug ads to meet federal standards;
- (3) Requiring drug manufacturers to pay fees to the Department of Health;
- (4) Establishing penalties for noncompliance; and

- (5) Using fees to fund a public education initiative to inform consumers about clinical trials and drug safety information.

ILWU Local 142, the Consumers Union, and National Legislative Association on Prescription Drug Prices submitted testimony in support of this bill. Pharmaceutical Research and Manufacturers of America testimony opposed this measure.

Your Committees have amended this bill by:

- (1) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1869, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1869, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Caldwell, Ito, Schatz, Souki and Stonebraker.

**SCRep. 350-06 Consumer Protection & Commerce/Labor & Public Employment on H.B. No. 2320**

The purpose of this bill is to update and conform current statutes governing insurer examinations and commercial general liability extended reporting requirements with the changes and revisions in the most current National Association of Insurance Commissioners (NAIC) Model Acts and Model Regulations. Among the other amendments made by this bill, is the adoption of a new part containing annual financial audit requirements applicable to all domestic insurers.

The Insurance Commissioner of the Department of Commerce and Consumer Affairs supported the bill. The American Council of Life Insurers commented on the measure.

Your Committees have amended this bill to delete references to a market plan for workers' compensation insurance in the event of the revocation of a certificate of authority for a specific insurer. Your Committees believe that such language is premature because the provisions are subject to a contingency. Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2320, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2320, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho, Karamatsu, Morita, M. Oshiro, Marumoto and Stonebraker.

**SCRep. 351-06 Consumer Protection & Commerce/Judiciary on H.B. No. 3244**

The purpose of this bill is to prevent identity theft by:

- (1) Prohibiting as a violation, the mailing of unsolicited credit card offers; and
- (2) Making possession of another's mail with intent to commit identity theft a class C felony.

Your Committees have replaced the contents of this bill with the contents of H.B. No. 3245 to take advantage of this bill's broader title. Your Committees note that there are other measures currently moving through the Legislature that address the same mail identity theft issues removed from this bill.

The purpose of this bill, as amended, is to prevent identity theft in Hawaii by:

- (1) Changing the name of the Hawaii Anti-phishing Task Force, to the Joint Legislative Identify Theft Task Force (Task Force)
- (2) Expanding the Task Force responsibility for examining options to prevent electronic commerce-based crimes, to include:
  - (A) Safeguarding and protecting all personal identifying information collected by the State;
  - (B) Identifying identity theft prevention best practices in other jurisdictions; and
  - (C) Establishing a timetable for the immediate removal of personal identifying information from public records;
- (3) Increasing the Task Force membership from 11 to 15 by adding the Chief Justice, and representatives of the County Police Departments, Hawaii Prosecuting Attorneys' Association, and U.S. Postal Service;
- (4) Having the Legislative Reference Bureau, rather than the Department of the Attorney General provide support services;
- (5) Extending the life of the Task Force to June 30, 2007; and
- (6) Appropriating funds for Task Force travel expenses.

Testimony on the contents of this bill, in the form of H.B. No. 3245, included the Department of Commerce and Consumer, Hawaii Bankers Association, and Hawaii Financial Services Association supported this bill. The Judiciary supported the intent of this measure. The Legislative Reference Bureau commented on the bill.

Your Committees have amended this bill to expand the Task Force membership to 18 by including a representative of:

- (1) The Chamber of Commerce of Hawaii;
- (2) The Consumer Data Industry Association; and
- (3) The National Federation of Independent Business.

Amendments were also made to the requirement that the Speaker of the House of Representatives and the President of the Senate each appoint two members of their respective legislative houses, by removing the restriction that the appointees be members of the House or Senate.

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

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3244, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3244, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Caldwell, Ito, Kanoho, Karamatsu and Morita.

**SCRep. 352-06 Human Services/Health on H.B. No. 1821**

The purpose of this bill is to more adequately compensate care home operators by:

- (1) Clarifying that domiciliary care includes care provided in developmental disabilities domiciliary homes, developmental disabilities adult foster homes, and developmental disabilities apartment complexes; and
- (2) Increasing the level of care payment for type I adult residential care homes, licensed developmental disabilities domiciliary homes, and licensed developmental disabilities apartment complexes from \$521.90 to \$621.90 per month.

The Hawaii Disability Rights Center, United Group of Home Operators, Adult Foster Home Association of Hawaii, and numerous concerned individuals testified in support of this bill. The State Council on Developmental Disabilities, Hawaii Coalition of Care Home Administrators, and The Arc in Hawaii supported the intent of this measure. The Department of Human Services offered comments.

Your Committees acknowledge the many care home operators in Hawaii who have sacrificed so much in their own lives to care for others. While housing costs and costs of care have increased steadily over the years, the level of care payments have remained the same since 1997.

Accordingly, your Committees have amended this bill by:

- (1) Removing the term "licensed" with regard to developmental disabilities apartment complexes;
- (2) Substituting the word "certified" for "licensed" regarding adult foster homes;
- (3) Establishing the level of care payment as a minimum, rather than a maximum, amount that may be paid to care homes;
- (4) Leaving the level of care minimum payment amounts blank, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1821, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1821, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 353-06 Health on H.B. No. 2438**

The purpose of this measure is to establish in the Department of Health the rural area health professionals loan fund that will extend interest-free loans for residential purchases by qualified licensed physicians and advance practice registered nurses in qualified rural areas.

The Department of Health provided testimony in opposition to this measure. The Hawaii Health Systems Corporation provided testimony in strong support of this measure, indicating that the measure would provide an outstanding incentive for physicians and advance practice registered nurses to live and work in rural areas of Hawaii where the physician specialist shortage is most severe.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2438 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 354-06 Education on H.B. No. 2743**

The purpose of this bill is to revitalize school facilities statewide and to more effectively and efficiently use our taxpayers' investment in public education. Specifically, this bill provides for the timely construction, expansion, consolidation, or closure of public schools in Hawaii through an objective and transparent process that:

- (1) Includes the establishment of a Facilities Alignment Commission (Commission) that shall:

- (a) Establish criteria for the selection of public schools to be constructed, expanded, consolidated, or closed; and
  - (b) Recommend, based upon these criteria, a list of areas for new school construction, and of schools for expansion, consolidation, or closure, that is subject to the review of the Legislature;
- (2) Directs the Board of Education to proceed with the process of constructing, expanding, consolidating, or closing schools according to the recommendations of the Commission; and
  - (3) Appropriates funds for the expenses of the Commission.

The Hawaii Government Employees Association and First Hawaiian Bank supported the intent of this measure. The Land Use Commission offered comments.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2743, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Harbin and Kahikina.

**SCRep. 355-06 Education on H.B. No. 2550**

The purpose of this bill is to support the creation of new century conversion charter schools by setting a limit on the annual contribution a nonprofit organization can contribute, should it decide to undertake the creation of a new century conversion charter school.

The Office of Hawaiian Affairs, Charter School Administrative Office, Hookakoo Corporation, Waimea Middle School, and a concerned individual testified in support of this bill. The Office of the Governor and Hawaii State Teachers Association opposed this bill. The Board of Education offered comments.

Your Committee has amended this bill by:

- (1) Clarifying that the maximum annual contribution a nonprofit organization can contribute, should it decide to undertake the creation of a new century conversion charter school, shall not be required to exceed \$1,500 per pupil per year; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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

Signed by all members of the Committee except Representatives Chang, Harbin, Kahikina and Waters.

**SCRep. 356-06 Education on H.B. No. 3108**

The purpose of this bill is to more efficiently provide students and teachers with needed school supplies by establishing and appropriating funds for a program that gives schools the choice to create a debit card system for the purpose of purchasing school supplies when there is a shortage of supplies in the classroom.

The Representative from the 27<sup>th</sup> District testified in support of this bill. Hawaii State Teachers Association, Bank of Hawaii, and a concerned individual supported the intent of this measure. The Department of Education (DOE) offered comments.

Your Committee has amended this bill by:

- (1) Removing purpose language that relates to the weighted student formula and funding for public schools;
- (2) Inserting purpose language that relates to:
  - (a) The ability of banks to assist with the establishment of debit card system accounts; and
  - (b) The benefits of allowing teachers to use debit cards to purchase school supplies;
- (3) Allowing the principal of each public school, rather than requiring DOE, to establish a debit card system that is based at the individual school level, as deemed appropriate by the school's academic and financial plans;
- (4) Deleting the appropriation of funds for the establishment of the debit card system;
- (5) Changing the effective date to upon approval; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3108, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3108, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Harbin and Kahikina.

**SCRep. 357-06 Education/Labor & Public Employment on H.B. No. 1862**

The purpose of this bill is to help relieve the teacher shortage by allowing the Department of Education (DOE) to employ retired teachers to teach full-time in teacher shortage areas and serve as mentors for new classroom teachers.

The Hawaii Teacher Standards Board and Hawaii State Teachers Association testified in support of this bill. The Office of the Governor supported this measure with amendments. DOE supported the intent of this bill. The Employees' Retirement System offered comments.

Your Committees have amended this bill by:

- (1) Mandating that retired teachers employed to teach in teacher shortage areas or who serve as mentors for new classroom teachers be licensed teachers;
- (2) Allowing charter schools to employ retired licensed teachers for the purposes listed in paragraph (1);
- (3) Requiring licensed teachers to be retired for at least one calendar year prior to reemployment to serve as a mentor; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1862, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1862, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Harbin and Souki.

**SCRep. 358-06 Education/International Affairs on H.B. No. 3258**

The purpose of this bill is to foster international and cross-cultural understanding by directing the Department of Education (DOE), in consultation with a variety of other organizations, to develop and implement a Student-and-Faculty Exchange Program (Program) between Hawaii and the Philippines.

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

Your Committees respectfully request DOE to consider hiring a contractor to develop and implement the Program, in light of the fact that with the implementation of Act 51, Session Laws of Hawaii 2004, more DOE resources are going directly to the schools for direct services to students in the classroom.

Your Committees recognize that the success of such a program will depend heavily on support from community organizations, and therefore encourage community organizations to step forward to assist in the establishment of the Program.

Your Committees have amended this bill by:

- (1) Adding an appropriation to fund the development and implementation of the Program;
- (2) Changing the effective date to July 1, 2006; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Education and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3258, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3258, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Harbin, Kahikina, Sonson, Waters and Thielen.

**SCRep. 359-06 Transportation on H.B. No. 2423**

The purpose of this bill is to enhance and improve county roadways by authorizing the use of monies from the State Highway Fund (Fund) for the counties' road systems.

Department of Transportation (DOT) and Mayor of the County of Hawaii testified in support of this bill.

During the 2004 Regular Session, DOT projected that the Fund would collect \$174,000,000 by the end of FY 2003-2004. However, at the end of FY 2003-2004, the Fund had actually collected \$182,000,000, resulting in an unanticipated surplus of \$8,000,000.

In 2005, recognizing the deteriorating condition of our county roads, the Legislature enacted Act 178, Session Laws of Hawaii 2005, which appropriated \$10,000,000 in subsidies to the counties for road work. This included \$4,000,000 for the City and County of Honolulu, and \$2,000,000 each for the other three counties. However, section 248-9, Hawaii Revised Statutes, authorizes the use of Fund monies only for the state highway system.

While the amount of monies proposed by this measure is minimal, your Committee believes that assisting the counties in resolving the many concerns of the community with regards to the condition of Hawaii's roads is a step in the right direction.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2423 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 360-06      Transportation on H.B. No. 2520**

The purpose of this bill is to assist Hawaii County with the repair and maintenance of roads over which ownership or jurisdictional disputes have existed between Hawaii County and the State. These roads are also known as "Roads in Limbo." This bill appropriates \$2,000,000 to establish such a maintenance program.

The Mayor of Hawaii County testified in support of this bill.

Many roads throughout the state were constructed or acquired by the Territorial Government of Hawaii. When county governments were created in 1905, controversy and jurisdictional questions arose regarding highways, roads, and streets. Even after statehood, jurisdiction of many of these roads remained in dispute where they remain to this day. As documented in the Legislative Reference Bureau's 1989 study, "Roads in Limbo: An Analysis of the State-County Jurisdictional Dispute", jurisdictional disputes over road ownership and the concomitant lack of adequate repairs and maintenance have plagued relations between the Territory (and later the State) and counties for many years. This is especially true in Hawaii County where many of these "Roads in Limbo" exist.

Although Act 288, Session Laws of Hawaii 1993, formally resolved the jurisdictional issues between the State and the four counties by declaring that the Department of Transportation was responsible for the State Highway System and that all other roads fell under the jurisdiction of the county governments, Hawaii County is seeking monetary assistance for maintenance and repair of roads, established for the most part by the Territory of Hawaii, that were "mandated" to its care by the Legislature without funding for this purpose.

While Hawaii County is willing to maintain these "Roads in Limbo", a lack of available resources allows it to only conduct emergency maintenance. In 2005, the Legislature appropriated \$2,000,000 for Hawaii County to maintain these roadways; however, the appropriation was made from the State Highway Fund whose use is restricted to the repair and maintenance of the State Highway System. Accordingly, this measure seeks to appropriate general funds to assist Hawaii County.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2520 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chong, Nakasone, Tanaka and Stevens.

**SCRep. 361-06      Transportation on H.B. No. 2504**

The purpose of this bill is to conform statutory language regarding neighborhood electric vehicles to federal standards.

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

In October 2005, the National Highway Traffic Safety Administration of the United States Department of Transportation amended its definition of a neighborhood electric vehicle class to include trucks with a gross vehicle weight rating (GVWR) of less than 2,500 pounds. Your Committee finds that current Hawaii law includes vehicles with a GVWR of less than 1,800 pounds in the neighborhood electric vehicle class. This measure conforms Hawaii's law to federal standards.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2504 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 362-06      Transportation on H.B. No. 2677**

The purpose of this bill is to increase traffic safety by requiring, among other things, that mopeds:

- (1) Receive annual safety inspections;
- (2) Display a certificate of safety inspection; and
- (3) Be operated with an exhaust system that meets the original manufacturer's specifications.

Shamrock Importers, LLC, testified in support of this bill. The Department of Transportation (DOT) testified in opposition to this measure. The Honolulu Police Department (HPD) submitted comments.

Low cost and fuel efficiency have made mopeds a favored mode of transportation in Hawaii, especially among young drivers and drivers concerned about high cost of fuel. Many of these riders, especially young riders, also enjoy tinkering with their mopeds and adding numerous after-market products to increase the horsepower, speed, and sound of their vehicles. However, at times, modifying these vehicles increases the power of these vehicles beyond the manufacturer's and legal specifications. These modifications cause a dangerous situation for the rider.

Your Committee understands that performing a safety inspection on mopeds for speed and sound may be difficult since engine displacement determination requires special equipment, and decimeters that inspect decibel levels of exhaust systems require exact calculations that are almost impossible to achieve. Your Committee also notes that HPD and DOT have both stated that there are currently no safety inspection stations that are certified to inspect mopeds. However, your Committee believes that this measure warrants further discussion.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2677 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Chong, Nakasone, Tanaka and Stevens.

**SCRep. 363-06      Transportation on H.B. No. 2305**

The purpose of this bill is to protect the health and safety of the people of Hawaii by addressing the dangers associated with underage drinking and driving. Among other things, this bill requires the suspension of driving privileges for persons under 21 years of age who illegally purchase or possess liquor as follows:

- (1) Suspension of a driver's license for at least 180 days; and
- (2) Postponement of the eligibility to obtain a driver's license until the person is 18 years of age or for 90 days, whichever period is longer.

This bill also allows discretion in permitting limited driving privileges to individuals with a suspended license for employment or educational purposes.

The Office of the Lieutenant Governor, the Attorney General, the Office of Youth Services, the Department of the Prosecuting Attorney of the City and County of Honolulu, the Honolulu Police Department, and MADD-Hawaii Youth in Action testified in support of this bill. MADD-Hawaii supported the intent of this measure. The Office of the Public Defender testified in opposition to this bill.

Driving under the influence of an intoxicant (DUI) has been and continues to be a problem on highways and roadways across the country with an increase in the number of alcohol-related traffic fatalities being experienced in recent years. Intoxicated drivers pose a danger not only to themselves, but also to other motorists and pedestrians.

Unfortunately, underage drinking is extremely prevalent across the nation and in Hawaii. It has been estimated that more youths between the ages of 12 and 20 use alcohol (29 percent) than tobacco (23.3 percent) or illicit drugs (14.9 percent). National statistics show that in 2002, about 2,000,000 minors age 12 to 20 drank five or more drinks on an occasion, five or more times a month. Moreover, alcohol consumption among underage drinkers is not only responsible for death and injury in motor vehicle crashes, but has also been found to be the major cause of other serious incidents involving persons under the age of 21, including homicides, suicides, sexual assaults, and unintentional injuries. Underage drinking in Hawaii cost taxpayers \$182 million in 2001 and continues to have not only monetary, but emotional and physical costs among Hawaii's youth today.

Your Committee finds that a driver's license is the prized possession of teenagers. Knowledge that a conviction for underage possession of alcohol will result in temporary loss of driving privileges is likely to deter many potential underage drinkers from possessing alcohol until they are legally entitled to do so. This measure can save lives by deterring underage drinking and drunk driving.

However, your Committee also notes that providing minors with alcohol education and counseling goes a long way to preventing future alcohol-related incidences. Accordingly, your Committee has amended this measure by:

- (1) Requiring that individuals sentenced under the provisions of this bill shall take part in an 8- to 12-hour program of alcohol education and counseling; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2305, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2305, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 364-06      Education on H.B. No. 2610**

The purpose of this bill is to ensure the long-term viability of charter school facilities by:

- (1) Appropriating funds as seed money for the Charter School Administrative Office (CSAO) to plan, organize, and develop a charter schools facilities fund partnership to support charter school capital improvements;
- (2) Establishing a tax credit for landlords to rent or lease property to a new century charter school or its associated nonprofit organization;
- (3) Authorizing the Board of Land and Natural Resources to lease to new century charter schools, public lands and buildings under the control of the Department of Land and Natural Resources; and
- (4) Appropriating funds to reimburse individual new century charter schools for the rent, lease, or mortgage expenses of their facilities.

Ke Kula O Kamakau, The League of Women Voters, numerous individuals from West Hawaii Explorations Academy, and many other concerned individuals testified in support of this measure. The Department of Education (DOE), CSAO, and Office of Hawaiian Affairs supported the intent of this measure. The Office of the Governor and Hawaii State Teachers Association opposed this measure. The Board of Education, Department of Taxation, and Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Requiring CSAO rather than DOE, through the EDN 600 program, to:
  - (a) Provide seed funds for CSAO to plan, organize, and develop the charter schools facilities fund partnership; and



- (b) Reimburse new century charter schools for the rent, lease, or mortgage expenses of their facilities;
- and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2610, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2610, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Harbin, Kahikina and Waters.

**SCRep. 365-06 Energy & Environmental Protection on H.B. No. 2848**

The purpose of this bill is to implement the Hawaii Energy Policy Forum's (HEPF) final report, "Hawaii at the Crossroads: A Long Term Energy Strategy," by appropriating \$200,000 to reconvene the HEPF for further discussion.

The Department of Business, Economic Development, and Tourism (DBEDT), County of Kauai, HEPF, Hawaii Renewable Energy Alliance, Hawaiian Electric Company, Inc., Maui Electric Company, Inc., Hawaii Electric Light Company, Inc., PowerLight Corporation, and The Gas Company testified in support of this bill. Honolulu Seawater Air Conditioning, LLC, supported the intent of this bill. The Consumer Advocate provided comments.

Your Committee has amended this bill by:

- (1) Changing the expending agency from the University of Hawaii to DBEDT;
- (2) Requiring HEPF to report on its detailed action plan and timeline to the Legislature prior to the convening of the Regular Session of 2007; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2848, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2848, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Harbin.

**SCRep. 366-06 Economic Development & Business Concerns on H.B. No. 2121**

The purpose of this bill is to effectuate its title.

H.B. No. 2121 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

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

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2121, as amended herein, and recommends that it be recommitted to the Committee on Economic Development & Business Concerns, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 2121, H.D. 1.

Signed by all members of the Committee except Representative Herkes.

**SCRep. 367-06 Human Services on H.B. No. 2788**

The purpose of this bill is to enable the Hawaii State Commission on the Status of Women (Commission) to continue funding programs that help women achieve parity with men by appropriating funds to the Commission.

The Commission, The League of Women Voters of Hawaii, Honolulu County Committee on the Status of Women, Sex Abuse Treatment Center, National Association of Social Workers, Kokua Council, T.J. Mahoney & Associates, American Civil Liberties Union of Hawaii, Hawaii Women's Coalition, and several concerned individuals testified in support of this bill.

Your Committee received testimony demonstrating that while women have made great strides in improving their economic self-sufficiency, health, and overall social-political parity with men, it is a slow process that requires efforts by programs such as the Commission. The Commission is a principal statewide governmental and community resource that addresses an extensive spectrum of issues affecting the status of women in Hawaii, but it has functioned in a diminished capacity due to budgetary and staffing restrictions.

Your Committee supports the need for continued function of the Commission and encourages a sufficient appropriation to allow the Commission to operate at full capacity.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2788 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Arakaki.

**SCRep. 368-06 Human Services/Health on H.B. No. 2680**

The purpose of this bill is to provide the full range of accepted, effective treatments for injured or ill medical consumers by requiring Med-QUEST and Medicaid coverage for chiropractic care.

The Department of Human Services, Hawaii State Chiropractic Association, Klein Chiropractic Center, and several concerned individuals testified in support of this bill.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2680 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 369-06 Energy & Environmental Protection on H.B. No. 1955**

The purpose of this bill is to continue to protect Hawaii's environment by updating the fine schedule to increase the minimum penalty for criminal littering from \$25 to \$500 and the maximum penalty from \$500 to \$1,000.

The Waimanalo Agricultural Association, Windward Ahupuaa Alliance, Malama Waimanalo Coalition, and a concerned individual testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1955 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Carroll, Harbin and Kanoho.

**SCRep. 370-06 Hawaiian Affairs on H.B. No. 2169**

The purpose of this bill is to honor our host culture by requiring that all new state signs designating place and site names be in Hawaiian, as well as English, and include okina and kahako to reflect the proper use of the Hawaiian language.

The Waikiki Hawaiian Civic Club, Native Hawaiian Hospitality Association, and several concerned individuals testified in support of this bill. The Department of Accounting and General Services, Department of Transportation, and Pae 'Āina Communications, LLC/a concerned individual offered comments.

Your Committee has amended this bill by:

- (1) Requiring that the glottal stop in the word Hawai'i be properly used in all state publications, except:
  - (A) Signs, publications, and other items produced by the State before the effective date of this bill, until they are updated or otherwise replaced; and
  - (B) Official traffic-control devices, as defined in Section 291C-1, Hawaii Revised Statutes;

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

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2169, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2169, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Harbin, Schatz and Finnegan.

**SCRep. 371-06 Hawaiian Affairs on H.B. No. 2928**

The purpose of this bill is to honor our host culture by allowing the use of practices, techniques, styles, customs, and materials of indigenous Hawaiian architecture in present-day construction in the State.

The Department of Hawaiian Home Lands and several concerned individuals testified in support of this bill. The Department of Planning and Permitting of the City and County of Honolulu supported this measure with amendments. A member of the Maui County Council provided comments.

Your Committee has amended this bill by:

- (1) Limiting the application of indigenous Hawaiian architecture to those zoning districts with which the Hawaiian architectural style would be compatible; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2928, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2928, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Harbin, Schatz and Finnegan.

**SCRep. 372-06 Labor & Public Employment on H.B. No. 2309**

The purpose of this bill is to improve the administrative efficiency of the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) by requiring employee-beneficiaries and spouses of employee-beneficiaries who become entitled to reimbursement from the EUTF for Medicare Part B premiums after July 1, 2006, to designate a financial account into which the EUTF is authorized to deposit reimbursements.

The Department of Budget and Finance and the EUTF Board of Trustees supported this bill.

Your Committee notes that the EUTF is able to use direct deposits to handle financial transactions. According to testimony submitted by the EUTF Administrator, direct deposits of Medicare Part B reimbursements are already projected to decrease the operating costs of the EUTF by about \$30,000 annually, due to savings in postage and mailing. By requiring direct deposits for future retirees, this bill will result in even more cost savings to public employers, including the State.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2309 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 373-06 Labor & Public Employment on H.B. No. 2558**

The purpose of this bill is to encourage employees who have suffered work-related injuries to return to work by allowing an employee who has been deemed unable to return to the employee's original position due to a work injury to be referred by the Director of Labor and Public Employment (Director) for vocational rehabilitation services.

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, ILWU Local 142, Hawaii State Teachers Association, and a concerned individual supported this bill. The Hawaii Rehabilitation Counseling Association opposed this bill. The Department of Human Resources Development and the Department of Labor and Industrial Relations submitted comments.

Your Committee notes that existing laws allow employees who have suffered a permanent disability as a result of work injuries to be referred by the Director for vocational rehabilitation services. This bill affords the same access to vocational rehabilitation services to an employee who may not have suffered a permanent disability, but has been otherwise deemed unable to return to the employee's position as a result of a work injury.

Your Committee believes that limiting the Director's referrals for vocational rehabilitation to employees who have suffered a permanent disability is artificially restrictive. The recuperative process following a work injury should not only include healing from the physical effects of the injury itself, but also assisting the injured worker to reintegrate into the workforce in a timely manner.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2558 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 374-06 Labor & Public Employment/Consumer Protection & Commerce on H.B. No. 1802**

The purpose of this bill is to assist injured workers in returning to gainful employment by providing premium discounts to employers who obtain certification from the Department of Labor and Industrial Relations (DLIR) for establishing an effective return-to-work program.

The Hawaii State Chiropractic Association, Hawaii Chapter, American Physical Therapy Association, and King & Neel, Inc., testified in support of this bill. The Hawaii Insurers Council and ILWU Local 142 opposed this measure. DLIR and the Hawaii Employers' Mutual Insurance Company submitted comments.

It is often more difficult for injured workers to return to work at their normal capacity after a lengthy period on total disability than it is for them to return to work on modified or light duty. Returning workers to their jobs as quickly as possible after an injury is beneficial not only to the employee, but the employer as well.

Your Committees find that small businesses may not have the fiscal capacity to allow for modified or light duty for their injured employees and that the establishment of "Return to Work Programs" may not be feasible. This bill would establish a credit for workers' compensation insurance premiums that provides an incentive for businesses to establish effective return to work programs.

However, your Committees have concerns that smaller companies may not see significant premium discounts while larger companies may experience large premium discounts. Accordingly, your Committees have amended this measure by:

- (1) Removing language establishing a five percent premium discount and leaving the percentage blank to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Labor & Public Employment and Consumer Protection & Commerce that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1802, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1802, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho, Karamatsu, Morita, M. Oshiro, Marumoto and Stonebraker.

**SCRep. 375-06 Consumer Protection & Commerce/Public Safety & Military Affairs on H.B. No. 2276**

The purpose of this bill is to improve the provision and implementation of enhanced wireless 911 services by providing flexibility to the Wireless Enhanced 911 Board (Board) in the allocation of moneys to reimburse public safety answering points and wireless service providers their costs of implementing wireless enhanced 911 service.

The Department of Accounting and General Services, Honolulu Police Department, and the Board testified in support of this bill. Cingular Wireless submitted comments.

Your Committee finds that the Board was established to administer the financing of wireless enhanced 911. The Board collects monthly assessments from cellular telephone customers and expends these funds to reimburse public safety answering points and wireless carriers for the costs of acquiring equipment and support services to implement enhanced wireless 911. This bill will give the Board the flexibility to distribute funds proportionately, and on a timely basis.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Public Safety & Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2276 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 376-06 Consumer Protection & Commerce on H.B. No. 2078**

The purpose of this bill is to give foster children the resources and skills needed for independent living by:

- (1) Requiring a foster child's natural parents to pay for the child's car insurance;
- (2) Requiring a foster child's foster parents to bear the cost for the child's car insurance if the child's natural parents are unable to do so;
- (3) Requiring the Department of Human Services (DHS) to provide written consent to allow foster children to apply for a driver's license;
- (4) Indemnifying DHS from liability in the event a foster child is involved in an accident or a lawsuit resulting from driving;
- (5) Allowing higher education board allowances to be paid directly to former foster children; and
- (6) Providing free mandatory minimum personal injury protection, bodily injury, and property damage motor vehicle insurance coverage under the state joint underwriting plan, for minors whose natural and foster parents are unable to pay for the minor's insurance.

The Hawaii Youth Services Network, Hawaii Foster Youth Coalition, and numerous concerned individuals testified in support of this bill. DHS supported the intent of this measure. The Hawaii Insurers Council submitted comments.

Your Committee finds that many foster youth leave foster care at age 18 without having learned how to drive a motor vehicle. This bill will give foster youth the ability to learn this important skill while still in foster care, and increase their opportunities for higher education, employment, and successful independent living.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2078, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho, Karamatsu and Morita.

**SCRep. 377-06 Consumer Protection & Commerce on H.B. No. 2211**

The purpose of this bill is to remove unnecessary delays in the provision of health care under the workers' compensation law by repealing the definition of "day or days" under the State's workers' compensation law.

Testimony in support of this bill was received from Hawaii Insurers Council. The Department of Labor and Industrial Relations submitted testimony in support of this bill and offered additional comments. Hawaii State AFL-CIO offered testimony in support of the intent of this bill.

Your Committee finds that defining "day" to mean a working day as opposed to a calendar day, unnecessarily prolongs the workers' compensation process for injured workers waiting for payment of a claim or a decision on a contested claim. This bill will help workers receive treatment faster.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2211 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho, Karamatsu and Morita.

**SCRep. 378-06 Consumer Protection & Commerce on H.B. No. 2325**

The purpose of this bill is to improve Hawaii's disaster preparedness efforts. Among other things, this measure:

- (1) Clarifies that the Major Disaster Fund (MDF) may be used for emergencies in addition to disasters;
- (2) Raises the expenditure ceiling of the MDF to \$2,000,000 for any single disaster or emergency;
- (3) Raises to \$2,000,000 the amount of funds available for matching federal disaster or emergency relief funds that become available following a presidential disaster or emergency declaration;
- (4) Establishes the Civil Defense Disaster Preparedness Special Fund (Disaster Preparedness Fund) administered by the Department of Defense for various disaster preparedness measures and programs;
- (5) Repeals the provision that transfers interest earned from the principal in the Hurricane Reserve Trust Fund (Trust Fund) to the general fund;
- (6) Specifies that in the event the Relief Fund has no policyholders, the annual net investment income earned from Trust Fund principal shall be deposited into the Disaster Preparedness Fund, except that in fiscal years 2006-2007 and 2007-2008, the first \$2,000,000 shall be deposited into the Loss Mitigation Grant Fund (Grant Fund); and
- (8) Repeals the appropriations out of Relief Fund principal for fiscal year 2006-2007, of \$2,000,000 for various tsunami and hurricane preparedness efforts, and \$2,000,000 for the Grant Fund, and instead, appropriates \$4,000,000 out of the Disaster Preparedness Fund for fiscal year 2006-2007 to be expended by the Department of Defense for disaster preparedness.

The Department of Commerce and Consumer Affairs, Department of Accounting and General Services, State Department of Defense, Structural Engineers Association of Hawaii, and the Hawaii Lumber Products Association testified in support of this bill. The Hawaii Association of Realtors supported the intent of this measure.

Your Committee finds that this bill would use Trust Fund interest, rather than principal, to fund disaster mitigation and other preparedness measures.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2325 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho, Karamatsu and Morita.

**SCRep. 379-06 Consumer Protection & Commerce on H.B. No. 2620**

The purpose of this bill is to improve Hawaii's energy self-sufficiency by:

- (1) Directing the counties to issue license plates for energy-efficient vehicles and exempting vehicles with these license plates from motor vehicle registration fees for a period of five years;
- (2) Directing state-covered fleets to:
  - (A) Meet energy efficiency standards for newly purchased light-duty vehicles six months sooner than required under current law;
  - (B) Meet an additional standard requiring at least 30 percent of newly purchased light-duty vehicles to be energy-efficient in fiscal year 2007-2008; and
  - (C) Meet the higher standard that at least 75 percent rather than 60 percent of newly purchased vehicles for years subsequent to fiscal year 2008-2009 be energy efficient;
- (3) Defining "alternative fuel", "covered fleet", "excluded vehicles", and "light duty vehicle", as defined in 10 Code of Federal Regulations Part 490;
- (4) Amending the definition of "energy-efficient vehicle" to include vehicles:
  - (A) Using alternative fuel;
  - (B) On the "Most Energy Efficient Vehicles" list; or
  - (C) In the top one-fifth of the most energy-efficient vehicles available in Hawaii;
- (5) Clarifying how offsets of the purchase requirements are measured and providing for offsets for vehicles using biodiesel fuel; and
- (6) Setting forth exemptions to the energy-efficiency standards and how to apply for an exemption.

The Department of Business, Economic Development, and Tourism, Conservation Council for Hawaii, and Rocky Mountain Institute testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2620, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho, Karamatsu and Morita.

**SCRep. 380-06 Consumer Protection & Commerce on H.B. No. 2670**

The purpose of this bill is to improve health care in Hawaii by establishing the Hawaii Health Authority (Authority) that:

- (1) Is responsible for overall health planning in the state and for determining future capacity needs of health care providers, facilities, equipment, and support service providers; and
- (2) Shall develop a comprehensive health plan that includes coverage for all individuals in the state and submit the plan to the Legislature.

The National Association of Social Workers, Hawaii Chapter, and several concerned individuals supported this bill. A concerned individual supported the bill with amendments. ILWU Local 142 supported the intent of this measure. The Department of Budget and Finance, Department of Commerce and Consumer Affairs, Kaiser Permanente, and the Hawaii Insurers Council opposed this measure. The Christian Science Committee on Publication-Hawaii submitted comments.

Your Committee notes that substantive concerns were raised regarding the disadvantages and problems associated with a single-payer, universal health care system. However, your Committee also recognizes that the lack of health care access for many of Hawaii's residents is a serious problem that concerns all of us. Therefore, your Committee has passed this measure to continue the discussion on this critical matter as this measure makes its way through the legislative process.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2670, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho, Karamatsu and Morita.  
(Representative Stonebraker voted no.)

**SCRep. 381-06 Hawaiian Affairs on H.B. No. 2204**

The purpose of this bill is to further the Legislature's attempt to determine the pro rata portion of the public land trust to be transferred to, managed, and administered by the Office of Hawaiian Affairs (OHA) for the betterment of the conditions of native Hawaiians pursuant to Article XII, Section 6 of the Hawaii Constitution. Specifically, this bill establishes and appropriates an unspecified sum of interim revenue to be expended by OHA each fiscal year for the betterment of the conditions of native Hawaiians.

Alu Like and Papa Ola Lokahi testified in support of this measure. OHA, the Department of the Attorney General (AG), Native Hawaiian Legal Corporation, and Native Hawaiian Hospitality Association supported a yet to be determined settlement between the State and OHA on the amount OHA is entitled to as its pro rata portion of revenues from the public land trust. A concerned individual testified in opposition.

In *Trustees of the Office of Hawaiian Affairs v. Yamasaki*, 69 Haw. 154, 737 P.2d 446 (1987), the Hawaii Supreme Court determined that the issue of what constitutes OHA's pro rata portion of all the funds derived from the public land trust is a political question. The Supreme Court stated that it could not find any "judicially discoverable and manageable standards" that could be used to resolve the issue. *Id.*, at 175, 737 P.2d at 459. Accordingly, the Supreme Court declined to rule upon the substance of the case, holding that the issues presented were "of a peculiarly political nature and therefore not meet for judicial determination." *Id.*

Fourteen years later, the Hawaii Supreme Court reaffirmed its holding in *Yamasaki in Office of Hawaiian Affairs vs. State of Hawaii*, 96 Haw. 388, 31 P.3d 901 (2001). In that case, the Supreme Court stated in pertinent part:

[T]he State's obligation to native Hawaiians is firmly established in our constitution. *How* the State satisfies that constitutional obligation requires policy decisions that are primarily within the authority and expertise of the legislative branch. As such, it is incumbent upon the legislature to enact legislation that gives effect to the right of native Hawaiians to benefit from the ceded lands trust.

*Id.* at 401, 31 P.3d at 914 (emphasis in original). In making this statement, the Supreme Court relied upon Article XVI, Section 7 of the Hawaii Constitution, which reads:

Any trust provisions which the Congress shall impose, upon the admission of this State, in respect of the lands patented to the State by the United States or the proceeds and income therefrom, shall be complied with by appropriate legislation. Such legislation shall not diminish or limit the benefits of native Hawaiians under Section 4 of Article XII.

As stated earlier, the purpose of this measure is to further the Legislature's constitutional obligation to define OHA's pro rata portion of funds derived from the public land trust. As a preliminary matter, it should be noted that in recent years, the issue of whether the completion of an inventory of lands comprising the public land trust is necessary to determine OHA's pro rata portion has been debated. It is the understanding of your Committee, however, that no inventory is necessary, based on the testimonies of representatives from OHA and AG on this measure.

Your Committee has amended this bill by:

- (1) Inserting a findings and purpose section;

- (2) Specifying that the income and proceeds from the pro rata portion of the public land trust for expenditure by the OHA for each fiscal year beginning with fiscal year 2005-2006 shall be \$15,100,000;
- (3) Appropriating \$17,500,000 for fiscal year 2005-2006, to pay OHA receipts from the use of lands within the public land trust that should have been transferred, but were not transferred previously to OHA between July 1, 2001, and June 30, 2005;
- (4) Requiring the Department of Land and Natural Resources to account for receipts generated from the public land trust, and appropriating \$250,000 for that purpose;
- (5) Specifying that this measure will not affect the claims of native Hawaiians to the income and proceeds of a pro rata portion of the public land trust; and
- (6) Making technical, nonsubstantive amendments for style, clarity, and consistency.

Section 2 specifies that beginning in fiscal year 2005-2006, and until further legislative action is taken, the income and proceeds from the pro rata portion of the public land trust for expenditure by OHA pursuant to Article XII, Section 6 of the Hawaii Constitution shall be \$15,100,000 per fiscal year. This amount shall be transferred from various state departments and agencies to OHA in four equal quarterly installments via voucher payments. According to the AG:

The annual \$15.1 million share . . . for annual transfer to OHA is based on the sums actually transferred during these four fiscal years, the sums of analogous receipts that could have been transferred from the health and housing corporations and the University, the upward trend of these receipts over the last four years, and negotiation and fairness considerations.

See Testimony of the AG to the House Committee on Hawaiian Affairs, dated February 1, 2006, p. 3. The AG supplemented his written testimony at the hearing by explaining that the \$15,100,000 also includes certain ancillary receipts from the state airports. See Testimony of the AG, p. 2.

The approximate amount of funding actually transferred to OHA pursuant to Executive Order No. 03-03 and Act 34, Session Laws of Hawaii 2003, was as follows:

	FYs	<u>2002-2003</u>	<u>2004</u>	<u>2005</u>
DAGS State Parking Revolving Fund		\$32,757	\$22,896	\$23,730
DOA Agricultural Park Special Fund General Fund		\$74,921	\$46,006	\$113,505
DBED&T Foreign Trade Zone Special Fund				
HCDA Revolving Fund		\$357,043	\$230,090	\$253,045
NELHA Special Fund				
DOE Use of School Facilities Special Fund		\$50,966	\$48,400	\$45,098
DLNR Boating Special Fund Special Land & Development Fund State Parks Special Fund Beach Restoration Special Fund General Fund		\$2,554,338	\$2,274,483	\$2,774,768
DOT Harbors Special Fund		\$9,049,700	\$6,480,000	\$6,866,384
Act 34, SLH 2002 General Fund		<u>\$2,041,852</u>	_____	_____
Annual Totals		<b>\$14,161,577</b>	<b>\$9,101,875</b>	<b>\$10,076,530</b>

The approximate amounts of "analogous" ceded land receipts were as follows:

	FYs	<u>2002-2003</u>	<u>2004</u>	<u>2005</u>
Hawaii Health Systems Corporation Hilo Medical, Kula Hospital, Samuel Mahelona Non-Patient Food Sales Catering Revenue Parking Revenue Data processing Services Revenue Medical Records Abstract Sales Non-Patient Room Rentals Telephone & Telegraph Revenue Restricted and Non-Restricted Contributions Employee Housing Rent Revenue		\$665,687	\$471,650	Unverified

Clinical Rent Revenue			
Other Space Rental			
University of Hawaii <sup>1</sup>	\$1,293,852	\$1,182,121	Unverified
Manoa and Hilo Campuses			
Parking			
Faculty Housing			
Non-Student Housing Rentals, including food and vending machine, telephone commissions/collections			
Hilo Bookstore – logo products, sundries but not books or school supplies			
Other Revenue			
HCDCH Housing	\$80,626	\$40,091	\$32,625
Public School Faculty Housing Rentals			
Public Rental Housing Laundromat/Vending Machine Receipts			
Public Rental Housing Antennae Rental Receipts			
Annual Totals	<u>\$2,040,165</u>	<u>\$1,693,862</u>	<u>Unverified</u>

<sup>1</sup>The amounts range from \$373,677-\$1,293,852 for fiscal years 2002 and 2003, and \$243,583-\$1,182,121 for fiscal year 2004.

The approximate amounts of ancillary receipts from the state airports were as follows:

	FYs	2002-2003	2004	2005
HIA Terminal Rental Revenue		\$2,598,460	\$1,290,018	\$1,068,268
HIA Terminal Concession Revenue		\$857,152	\$503,754	\$525,671
Non-HIA Aeronautical Revenue		\$1,158,094	\$671,564	\$712,015
Non-HIA Concession/Other		<u>\$18,241,417</u>	<u>\$ 9,655,042</u>	<u>\$10,159,033</u>
Terminal Revenue				
Annual Total Receipts		\$22,855,123	\$12,120,378	\$12,464,987
20% Share		<b>\$4,571,025</b>	<b>\$2,424,076</b>	<b>\$2,492,997</b>

Section 4 appropriates the sum of \$17,500,000 to OHA in fiscal year 2005-2006. This one-time appropriation

... raise[s] the [amount] of ceded land receipts actually transferred to OHA during the fiscal years 2002 through 2005. The one-time appropriation of general funds is roughly equivalent to analogous rent-type receipts for the use of ceded lands collected by the Hawaii Health Systems Corporation, the Housing and Community Development Corporation of Hawaii, and the University of Hawaii, etc. during the relevant period which were not paid for legal reasons, interest, and negotiation and fairness considerations.

*Id.* at 4. In other words, this appropriation represents a "catch-up" of amounts that were underpaid during the specified time period.

Section 5 requires the DLNR to provide an annual accounting of revenues derived from the public land trust. At the present time, no single state department or agency is responsible for compiling such data. A single accounting will provide the Legislature, OHA, the general public, and even the State administration, with a clearer financial picture of the public land trust.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2204, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2204, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Harbin and Finnegan.

#### SCRep. 382-06      Agriculture on H.B. No. 2631

The purpose of this bill is to reduce the number of abandoned, homeless, or feral dogs and cats by establishing an income tax deduction for the expenditures incurred by an individual taxpayer to spay or neuter the taxpayer's dog or cat.

The Hawaiian Humane Society, The Humane Society of the United States, and numerous concerned individuals supported this bill. The Department of Taxation offered comments.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2631 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Karamatsu, Wakai and Stonebraker.



**SCRep. 383-06 Agriculture on H.B. No. 2776**

The purpose of this bill is to support agricultural infrastructure in Hawaii by authorizing general obligation (GO) bonds and appropriating funds as follows:

- (1) \$500,000 for the Agricultural Water Use and Development Plan;
- (2) \$3,505,000 for the East Kauai Irrigation System;
- (3) \$4,850,000 for the Waimea Irrigation System; and
- (4) \$2,000,000 for the Molokai Irrigation System.

The County of Kauai's Department of Water, East Kauai Water Users' Cooperative, Hawaii Agriculture Research Center, Hawaii Crop Improvement Association, Hawaii Farm Bureau Federation, Maui County Farm Bureau, Kauai County Farm Bureau, Meadow Gold Dairies, Saiva Siddhanta Church, and C&H Farms supported this bill. The Agribusiness Development Corporation and the Department of Land and Natural Resources supported the intent of this measure. Earthjustice, Sierra Club, Hawaii Chapter, and Hanalei Watershed Hui opposed this bill.

Your Committee recognizes that water is the lifeblood of agriculture. A stable, reliable source of water is critical in ensuring that our farms and ranches remain healthy and vibrant. Your Committee notes that other agricultural irrigation systems on Oahu and the island of Hawaii are also in need of repair and maintenance.

Accordingly, your Committee has amended this measure by:

- (1) Inserting GO bond authorizations and appropriations of:
  - (A) \$500,000 for the Waimanalo Irrigation System; and
  - (B) \$1,700,000 for the Lower Hamakua Irrigation System;

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

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2776, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2776, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Karamatsu and Stonebraker.

**SCRep. 384-06 Agriculture on H.B. No. 2960**

The purpose of this bill is to provide operational assistance to the Hawaii Agriculture Research Center (HARC) by appropriating \$5,000,000 to be deposited into the Agricultural Loan Revolving Fund (Revolving Fund) and used for loans to HARC for the construction of suitable facilities for agricultural research and an agricultural community center.

HARC, Hawaii Farm Bureau Federation, Maui County Farm Bureau, Hawaii Crop Improvement Association, Alexander & Baldwin, Inc., Hawaiian Commercial & Sugar Company, Kauai Coffee Company, Inc., Crop Care Hawaii, LLC, Gay & Robinson, Inc., Hawaiian Alliance for Responsible Technology & Science, Kamiya Gold, Inc., C & H Farms, and several concerned individuals supported this bill. The Department of Agriculture supported the intent of this measure.

Your Committee has amended this measure by:

- (1) Correcting an inadvertent error by inserting the Department of Budget and Finance as the expending agency for the appropriation of general funds deposited into the Revolving Fund; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2960, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2960, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Karamatsu and Stonebraker.

**SCRep. 385-06 Agriculture/Energy & Environmental Protection on H.B. No. 2759**

The purpose of this bill is to combat the spread of coqui frogs by requiring the Hawaii Invasive Species Council to give priority, in its invasive species prevention and control plan, to eradicating coqui frogs that are on lands:

- (1) Owned by the State or any county; and
- (2) Within one mile of residential areas.

The Hawaii Farm Bureau Federation and C&H Farms supported this bill. The Department of Land and Natural Resources, Department of Agriculture, The Nature Conservancy of Hawaii, and Conservation Council for Hawaii supported the intent of this bill. Animal Rights Hawaii opposed this bill.

As affirmed by the records of votes of the members of your Committees on Agriculture and Energy & Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2759 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Harbin, Herkes, Kanoho, Waters and Stonebraker.

**SCRep. 386-06 Agriculture/Energy & Environmental Protection on H.B. No. 2763**

The purpose of this bill is to control and eradicate coqui frogs by appropriating \$2,000,000 as a grant-in-aid to the County of Hawaii for support and implementation of the coqui frog working group incident action plan.

The Hawaii Farm Bureau Federation, The Nature Conservancy of Hawaii, Maui Outdoor Circle, Kihei Akahi A.O.A.O., C&H Farms, and a concerned individual supported this bill. The Department of Land and Natural Resources, Department of Agriculture, and Conservation Council for Hawaii supported the intent of this bill. Animal Rights Hawaii opposed this measure. The Maui Invasive Species Committee offered comments.

Although your Committees strongly support efforts to control the spread of coqui frogs on the island of Hawaii, your Committees also recognize the need to address this invasive species on a statewide level. Currently, coqui frogs exist in each county of the state.

Accordingly, your Committees have amended this measure by:

- (1) Deleting the \$2,000,000 grant-in-aid for the County of Hawaii;
- (2) Inserting an appropriation for an unspecified amount of funds for coqui frog eradication and control programs in each county of the state;
- (3) Conforming the purpose section to the purpose of the bill as amended; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Agriculture and Energy & Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2763, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2763, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Harbin, Herkes, Kanoho, Waters and Stonebraker.

**SCRep. 387-06 Agriculture/Energy & Environmental Protection on H.B. No. 2765**

The purpose of this bill is to address the problem of invasive species in Hawaii by, among other things:

- (1) Requiring the Department of Agriculture (DOA) to designate vertebrate species injurious to the environment or vegetation of value, including the coqui frog, as pests;
- (2) Clarifying that no person shall intentionally or negligently possess, propagate, sell, transfer, transport, or harbor any animal included on the list of prohibited animals maintained by the Board of Agriculture, with certain exceptions;
- (3) Prohibiting all goods determined by DOA to be at risk of transporting a pest from being sold or moved, unless the goods are treated by DOA to eradicate the pest;
- (4) Requiring DOA in collaboration with the Department of Land and Natural Resources (DLNR) to:
  - (A) Map and define quarantine areas on each of the six major islands of the state for pests that pose the greatest or immediate danger to the environment;
  - (B) Post signs near or in a quarantine area to identify the area's boundaries; and
  - (C) Adopt civil penalties to be imposed for moving untreated materials from these quarantine areas;
- (5) Requiring each county to develop a county invasive species management plan, which includes a requirement for the removal or eradication of prohibited, invasive, and non-native vegetation or animals from private property;
- (6) Appropriating funds for the development of county invasive species management plans under paragraph (5); and
- (7) Allowing each county to establish an incentive program in which the county pays for some or all of the cost of removing invasive species from property, with the permission of the property owner.

DLNR, Hawaii Farm Bureau Federation, Hawaii Association of REALTORS, The Nature Conservancy of Hawaii, Maui Outdoor Circle, Kihei Akahi A.O.A.O., C&H Farms, and the Maui Invasive Species Committee supported this bill. The Conservation Council for Hawaii supported the intent of this bill. Animal Rights Hawaii opposed this bill. DOA submitted comments.

Your Committees recognize the critical importance of strengthening the effort to control and eliminate invasive species, including the coqui frog.

Accordingly, your Committees have amended this bill by extending the time limit on emergency rules adopted by DOA to eradicate pests from the current limit of 180 days to one year. In addition, other technical, nonsubstantive amendments were made for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Agriculture and Energy & Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2765, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2765, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Harbin, Herkes, Kanoho, Waters and Stonebraker.

**SCRep. 388-06 Higher Education on H.B. No. 2479**

The purpose of this bill is to provide for much-needed parking space in Kakaako by authorizing the University of Hawaii (UH), in consultation with the Hawaii Community Development Authority (HCDA), to enter into agreements with private developers to expedite construction of a parking structure at Kakaako Makai, Oahu.

HCDA supported this bill. UH supported the intent of this measure.

Your Committee notes that concerns were raised regarding the specific intended uses of the parking lot, the parking rates that would be charged, and which agency would receive the parking revenue. However, the critical need for additional parking space in the Kakaako Makai area is not in doubt. With the Cancer Research Center of Hawaii and Phase II of the site on which the John A. Burns School of Medicine is located scheduled for development, a total of 1,700 parking stalls may be needed for these facilities.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2479 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Harbin.

**SCRep. 389-06 Higher Education on H.B. No. 3190**

The purpose of this bill is to appropriate funds for a new library and learning resource center at Windward Community College.

Numerous concerned individuals testified in support of this bill. The University of Hawaii (UH) supported the intent of this measure.

Your Committee believes that the ten-campus UH System should take the lead in building energy efficient facilities. As one of the state's largest consumers of natural resources, the UH System should make every effort to conserve this consumption of energy. Requiring that the new library and learning resource center meet or exceed the Leadership in Energy and Environmental Design (LEED) Silver Rating Standard will result in an energy efficient and sustainable facility. However, UH expressed concerns that complying with the LEED Silver Rating Standard may have a major impact on the total cost of the facility.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3190 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Harbin and Ching.

**SCRep. 390-06 Higher Education on H.B. No. 3196**

The purpose of this bill is to attract top educators and scientists to teach and conduct research at the University of Hawaii (UH) by creating a State Eminent Scholar's Special Fund at UH into which private donations as well as state matching funds would be deposited.

The UH system and UH-Manoa testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3196 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Chang, Harbin and Ching.

**SCRep. 391-06 Higher Education on H.B. No. 2040**

The purpose of this bill is to honor and recognize Senator Hiram L. Fong by supporting students enrolled in the University of Hawaii (UH) system. Specifically, this measure:

- (1) Establishes the Senator Hiram L. Fong Scholarship Program (Program);
- (2) Establishes the Senator Hiram L. Fong Scholarship Program Special Fund (Fong Special Fund) to support the Program; and
- (2) Appropriates \$200,000 to be transferred to the Fong Special Fund.

A member of the Honolulu City Council and several concerned individuals supported this bill. UH and the Department of Education supported the intent of this bill. The Department of Budget and Finance submitted comments.

Your Committee has amended this measure by:

- (1) Deleting the Fong Special Fund;

- (2) Establishing that funds for the Program shall be deposited into UH's Student Scholarship and Assistance Special Fund (Assistance Special Fund) to be used to support the Program;
- (3) Providing that \$200,000 be deposited into the Assistance Special Fund and used for the Program; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

Your Committee recognizes that concerns were raised regarding state funding of scholarship programs and, specifically, how the Program will remain solvent without a continuous infusion of funds. However, your Committee believes that these financial issues are better addressed by the Committee on Finance and has passed this measure out to continue discussion of the matter.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2040, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2040, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Green and Harbin.

**SCRep. 392-06 Higher Education on H.B. No. 3163**

The purpose of this measure is to appropriate funds for the general operating budget and repair, maintenance, and capital improvement programs for the Waikiki Aquarium.

The University of Hawaii Director of the Waikiki Aquarium, the Director of Education at the Waikiki Aquarium, the Waikiki Aquarium Curator, aquarium biologists, aquarists, a school program coordinator, a graduate student, and concerned citizens testified in support of this measure.

Your Committee has amended this measure by:

- (1) Removing the request for specific amounts for general operating expenses, as the funding for these expenses were appropriated last year.
- (2) Changing the specific amounts appropriated for construction and renovation projects, including the two story research building capital improvement project to an unspecified amount, as your Committee feels the Committee on Finance is better able to address fiscal issues;
- (3) Changing the expending agency from the Waikiki Aquarium to the University of Hawaii to reflect the appropriate expending agency; and
- (4) By making technical nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3163, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3163, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Harbin and Ching.

**SCRep. 393-06 Higher Education on H.B. No. 3165**

The purpose of this bill is to expand the social work program at the University of Hawaii (UH) by appropriating funds for new positions and a scholarship fund at the School of Social Work.

UH and many concerned individuals testified in support of this bill.

Your Committee has amended this bill by:

- (1) Removing the amounts and specific allocations of the appropriations; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3165, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3165, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Harbin and Ching.

**SCRep. 394-06 Higher Education on H.B. No. 3167**

The purpose of this measure is to appropriate general funds for designated programs at the University of Hawaii-West Oahu.

The Chancellor of the University of Hawaii-West Oahu testified in support of the general funds request. The University of Hawaii Director of Capital Improvements and a community counselor of INPEACE-Ka Lama Education Academy also requested support for capital improvement projects.

Your Committee is in full support of funding for University of Hawaii-West Oahu, however, your Committee feels that the specific fiscal amounts that should be appropriated are best addressed by the Committee on Finance.

Your Committee has amended this measure by:

- (1) Changing appropriations of specific amounts for specific designated programs to a general unspecified appropriation;
- (2) Inserting legislative findings;
- (3) Authorizing the issuance of general obligation bonds for a capital improvement project to include the planning, design, and construction of a new four-year undergraduate college for University of Hawaii-West Oahu;
- (4) Including special fund and general fund appropriations for the design and construction of the new four-year college campus in Kapolei;
- (5) Adding a proviso that all construction and renovation projects are required to meet certain LEED design standards; and
- (6) Making technical nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3167, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3167, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Green and Harbin.

**SCRep. 395-06 Higher Education on H.B. No. 3198**

The purpose of this measure is to streamline the fiscal operations of the Center of Nursing by:

- (1) Removing the Center of Nursing Special Fund from the state treasury; and
- (2) Clarifying that the University of Hawaii has the administrative authority for the Center of Nursing Special Fund.

The Hawaii Government Employees Association testified in support of this bill. The School of Nursing and Dental Hygiene of the University of Hawaii and Hawaii State Center for Nursing provided comments.

Your committee amended this measure by making technical, nonsubstantive amendments for the purpose of clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3198, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3198, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Harbin and Ching.

**SCRep. 396-06 Higher Education on H.B. No. 3193**

The purpose of this bill is to grant greater flexibility to the University of Hawaii (UH) Board of Regents by allowing it to establish criteria for residency for tuition purposes without adopting rules.

UH testified in support of this bill.

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

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3193, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3193, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Arakaki, Chang, Harbin and Ching.

**SCRep. 397-06 Health/Human Services on H.B. No. 2063**

The purpose of this bill is to help develop an adequate long-term care workforce in Hawaii to address the State's long-term care needs.

Specifically, this bill establishes a long-term care resource program initiative at Kapiolani community college to expand the quality and quantity of the home- and community-based long-term care workforce, improve the support and training of family caregivers, and promote active aging. The program initiative is to be used as a model for other community colleges to establish similar programs. This bill requires Kapiolani community college to establish, no later than August 1, 2006, a working group representing the community colleges to provide support for resource sharing and collaboration and to report to the community colleges. Kapiolani community college is also required to propose a plan for statewide expansion of the program initiative and to report to the Legislature twenty days prior to the convening of the regular session of 2007. Finally, this bill appropriates \$250,000 in fiscal year 2006-2007 for start-up expenses to establish the long-term care resource program initiative.

Your Committees received testimony in support of this bill from the Policy Advisory Board for Elder Affairs. The Dean of Health Science at Kapiolani community college testified in support of the intent of the bill.

Upon further consideration, your Committees have amended this bill by changing the appropriated amount from \$250,000 to \$1 for purposes of stimulating further discussion.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2063, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2063, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Sonson and Stonebraker.

**SCRep. 398-06 Health/Human Services on H.B. No. 3131**

The purpose of this bill is to establish a statewide youth suicide prevention program administered by the Department of Health.

Your Committees received testimony in support of the bill from the Hawaii Suicide Prevention Steering Committee, two parents and a grandparent who have lost a child to suicide, twenty-four concerned students from Kamehameha Schools, and a student who is in the master's degree in social work program at the University of Hawaii at Manoa and who is an advocate for Responsive Advocacy for Life and Learning in Youth at Central Middle School. The Department of Education testified in support of the intent of the bill, and the Department of Health noted its appreciation of the intent of the bill.

Youth suicide is a growing problem that affects students at all levels, from elementary through high school. Your Committees understand that knowledge and tools are available to approach suicide as a preventable public health problem with realistic opportunities to save many lives. In this regard, a critical preventative measure is early identification and intervention. Further, the provision of appropriate links to research, training, and technical assistance is essential.

Your Committees have amended the bill by:

- (1) Specifying that the Department of Health shall provide specialized training to Department of Education personnel who confront the challenges of early identification of students at risk of suicide or who have daily contact with students;
- (2) Filling in the unspecified appropriation amount with an appropriation of \$1 to facilitate further discussion of this important proposal; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committees find that the provisions in this bill are critical to the health, safety, and welfare of Hawaii's citizens and therefore request the Committee on Finance to explore the feasibility of establishing a special fund to support the proposed youth suicide prevention program.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3131, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3131, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Stonebraker.

**SCRep. 399-06 Health on H.B. No. 1965**

The purpose of this measure is to address the inadequate and limited amount of residential drug treatment opportunities in rural areas, especially on the neighbor islands.

Specifically, the bill appropriates an unspecified amount to build and operate residential drug treatment facilities for adults and children in rural areas in the counties of Hawaii, Maui, and Kauai.

Your Committee received testimony in support of the measure from the Hawaii Psychiatric Medical Association, Hawaii Substance Abuse Coalition, and the Drug Policy Action Group.

Your Committee finds that, in order to develop safe, healthy communities, substance abuse treatment must be available to those who need it. There are no adult residential treatment facilities on the islands of Kauai and Hawaii. Moreover, there are no adolescent residential services available on Kauai. While the island of Maui offers both adult and adolescent treatment programs, the programs are often full, thus generating a waiting list for those who need treatment.

In addition, your Committee notes that, while some individuals may have the resources or family support to travel to Oahu or Maui, there are many that lack travel funds or prefer to remain on the island of their residence.

Your Committee has amended the measure by inserting \$1 as the appropriated amount to ensure continued discussion on this issue.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1965, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1965, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 400-06 Health on H.B. No. 2074**

The purpose of this bill is to establish the Juvenile Diabetes Cure Research Special Fund (Special Fund) to assist in the battle to cure juvenile diabetes and allow individual taxpayers who receive a tax refund to designate an amount from their refund to be deposited into the Special Fund for juvenile diabetes cure research.

Numerous concerned individuals supported this bill. The Department of Health (DOH) opposed this measure. The Department of Taxation commented on this bill.

Your Committee has amended this bill by:

- (1) Increasing Special Fund sources to include funds:
  - (A) Received as premiums, or as fees charged by DOH or otherwise received by DOH; and
  - (B) Any other moneys contributed or transferred to the Special Fund;
- (2) Making an appropriation of \$1 to the Special Fund to encourage further discussion;
- (3) Appropriating \$1 from the Special Fund to be expended by DOH to encourage further discussion; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2074, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2074, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 401-06 Health on H.B. No. 2109**

The purpose of this bill is to improve maternal, child, and family health in Hawaii by appropriating funds to establish a permanent professional fetal alcohol spectrum disorder coordinator position (coordinator position) within the Office of the Lieutenant Governor (LG).

Healthy Mothers, Healthy Babies Coalition of Hawaii and several concerned individuals supported this bill. The LG supported the intent of this bill. A concerned individual opposed this measure.

Although your Committee recognizes the importance of addressing the problem of fetal alcohol spectrum disorder, your Committee finds that the coordinator position may be more appropriately placed in the Department of Health (DOH).

Accordingly, your Committee has amended this bill by placing the coordinator position in the Family Health Services Division of DOH instead of the LG. In addition, your Committee has:

- (1) Inserted an appropriation amount of \$1 to promote further discussion; and
- (2) Made technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2109, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2109, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Hale.

**SCRep. 402-06 Health on H.B. No. 2590**

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

- (1) Authorize an income tax check-off for juvenile diabetes cure research; and
- (2) Establish the Juvenile Diabetes Cure Research Special Fund.

The Department of Health and Department of Taxation commented on this bill.

Your Committee, having heard and passed a similar measure prior to hearing this bill, has amended this bill by replacing its contents and inserting the provisions of H.B. No. 2794. As amended, this bill provides for important emergency services at the Waianae Coast Comprehensive Health Center (WCCHC).

Specifically, this bill makes an appropriation to WCCHC to:

- (1) Provide vital health care services to an estimated population of 40,000 people; and
- (2) Ensure continued twenty-four-hour emergency room and ambulatory service to Leeward, Oahu.

WCCHC supported this bill, as amended. The Department of Health supported the intent of this measure, as amended.

Technical, nonsubstantive changes were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2590, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2590, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 403-06 Health on H.B. No. 2592**

The purpose of this bill is to facilitate access to health care services by requiring the State Health Planning and Development Agency (SHPDA) to publish a free health care map displaying the location of all health care providers in the state and including their:

- (1) Services and scope of practice;
- (2) Type of insurance accepted;
- (3) Language spoken; and
- (4) Addresses and telephone numbers.

The Hawaii Medical Services Association and Hawaii Psychiatric Medical Association supported this bill. SHPDA suggested amendments to this measure.

Your Committee has amended this bill by:

- (1) Removing the requirement for SHPDA to publish a free health map and the appropriation of funds for that purpose;
- (2) Requiring SHPDA to develop and maintain a statewide comprehensive health care workforce map and database;
- (3) Appropriating \$1 for this purpose, and to encourage further discussion; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2592, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2592, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 404-06 Health on H.B. No. 3135**

The purpose of this bill is to establish a statewide commission to promote and develop comprehensive planning and policymaking to address current and emerging issues relating to HIV/AIDS.

The Gay, Lesbian, Bisexual, and Transgendered Caucus of the Democratic Party of Hawaii, Drug Policy Action Group, AIDS Community Care Team, Gay and Lesbian Education and Advocacy Foundation, and several concerned individuals supported this bill. The Department of Health opposed this measure. The Gregory House Programs and a concerned individual commented on this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3135, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3135, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Sonson.

**SCRep. 405-06 Health on H.B. No. 2298**

The purpose of this bill is to add law enforcement officers to those who are considered to have a direct and tangible interest in public health statistic records.

The Department of the Attorney General (AG) and the Hawaii County Police Department supported this bill.

The AG reported that this bill is necessary because, at times, during the course of an investigation, law enforcement officers may need access to these vital records. An example given was that of the use of a death certificate in a homicide investigation when deciding what charge, if any, to bring against a suspect.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2298 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 406-06 Health on H.B. No. 2047**

The purpose of this bill is to protect Hawaii's citizens from the dangerous health effects of secondhand smoke by:

- (1) Prohibiting smoking in public places and places of employment; and
- (2) Ensuring a consistent level of basic protections statewide from exposure to secondhand smoke.



The Department of Health, Department of Human Services, Department of Accounting and General Services, Hawaii Medical Services Association, Kaiser Permanente, American College of Obstetricians and Gynecologists District VIII, Hawaii Section, Coalition for a Tobacco Free Hawaii, American Heart Association, American Lung Association of Hawaii, American Cancer Society, Healthy Mothers Healthy Babies, Life Foundation, Hawaii Association of Health Funds, and numerous concerned individuals supported this bill. The Honolulu Police Department opposed this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2047 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Hale and Nishimoto.

**SCRep. 407-06 Health on H.B. No. 2048**

The purpose of this bill is to protect our youth from becoming addicted to tobacco products and falling victim to the multiple health hazards resulting from tobacco use by banning the sale of flavored tobacco products in Hawaii.

The Department of the Attorney General, Department of Health, American Cancer Society, Coalition for a Tobacco Free Hawaii, American Heart Association, and numerous concerned individuals supported this bill. The Cigar Association of America, Inc., opposed this measure.

Your Committee has amended this bill by:

- (1) Deleting all reference to cigars; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2048, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2048, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Hale.

**SCRep. 408-06 Health on H.B. No. 2148**

The purpose of this bill is to protect the health of minors by:

- (1) Making it unlawful for minors to possess or use tobacco products; and
- (2) Exempting minors from prosecution who are lawfully delivering tobacco products as a part of their employment.

The Honolulu Police Department, Hawaii Food Industry Association, and several concerned individuals supported this bill. The Coalition for a Tobacco Free Hawaii supported the intent of this measure. The Department of Health, Office of the Public Defender, and the Drug Policy Forum of Hawaii opposed this bill.

Your Committee has amended this bill by:

- (1) Repealing the option for a minor to perform community service for any subsequent offense; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2148, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2148, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Hale.

**SCRep. 409-06 Health on H.B. No. 2589**

The purpose of this bill is increase and improve the provision of mental health care by authorizing the Board of Psychology (Board) to allow psychologists to prescribe psychotropic medication who qualify for a:

- (1) Conditional prescription certificate that restricts the psychologists practice to federally qualified health centers (FQHC), licensed health clinics located in federally designated medically underserved areas, or in mental health professional shortage areas; or
- (2) Prescription certificate.

The Hawaii Medical Service Association, Hawaii Nurses Association, Waikiki Health Center, American Psychological Association, Hawaii Psychological Association, Papa Ola Lokahi, Hawaii Primary Care Association, Waianae Coast Comprehensive Health Center, Molokai Community Health Center, Waimanalo Health Center, Health Psychology Association, Inc., Louisiana Academy of Medical Psychologists, and numerous concerned individuals supported this bill. The Department of Health, Hawaii Psychiatric Medical Association, Hawaii Medical Association, National Alliance on Mental Illness Oahu, American Association of Applied and Preventive Psychology, and several concerned individuals opposed this measure. The Board raised concerns regarding this bill.

Your Committee finds that there is a severe shortage of psychiatric care in our FQHCs statewide. While statistics show there are actually more psychiatrists in our state than psychologists, FQHCs currently have easier access to psychologists who are highly trained,

competent, and capable individuals. Upon receiving proper training, these mental health professionals could aid our psychiatric shortage in health clinics located in federally designated medically underserved areas, FQHCs, and mental health professional shortage areas by prescribing psychotropic medications for the treatment of mental illness to those who are in such desperate need of help.

This issue, however, must be further evaluated as it moves through the legislative process, especially in areas such as:

- (1) Whether the Board is able to comply with requirements of this bill and whether another body may be more appropriate for such a task; and
- (2) The need for an appropriate and agreed-upon training formulary to place greater focus on the use, effects, and responsibilities entailed in prescribing psychotropic medications to ensure the safety and quality of treatments provided by psychologists with prescriptive authority to mental health consumers.

Your Committee has amended this bill by:

- (1) Changing the sunset date to July 1, 2010;
- (2) Changing the reporting requirements of the Board of Psychology to a single report to the Legislature at least 20 days prior to the Regular Session of 2010;
- (3) Clarifying that a "prescribing mental health professional" means a medically trained and licensed physician, or psychiatrist; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2589, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2589, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Nishimoto, Sonson and Halford.

#### **SCRep. 410-06 Labor & Public Employment on H.B. No. 2952**

The purpose of this bill is to clarify the enforcement of Hawaii's prevailing wage law by requiring the Department of Labor and Industrial Relations (DLIR) to collect and maintain certified copies of payrolls for all public works projects that were not directly built or developed by a governmental contracting agency.

The International Brotherhood of Electrical Workers (IBEW), Local 1186, IBEW, Local 1260, IBEW, Local 1357, Hawaii State AFL-CIO, and Hawaii Building and Construction Trades Council, AFL-CIO testified in support of this bill. DLIR, the Department of Accounting and General Services, and the Associated Builders and Contractors opposed this measure.

This bill ensures that laborers and mechanics employed on indirect public works projects will receive prevailing wages due to better enforcement by DLIR.

Your Committee has amended this bill by changing the effective date to July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2952, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2952, H.D. 1, and be referred to the Committee on Finance.

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

#### **SCRep. 411-06 Consumer Protection & Commerce on H.B. No. 2931**

The purpose of this bill is to encourage the production of electricity through renewable means by exempting from the general excise tax on generated electricity, "eligible customer generators," individuals who own and operate their own renewable energy generating facility, and under the net energy metering law, use any excess energy that they produce and feed back into the electric grid to offset their electric bills.

The Sierra Club, Hawaii Chapter, Hawaii Renewable Energy Alliance, Hawaiian Electric Company, Maui Electric Company, Hawaii Electric Light Company, and Conservation Council for Hawaii testified in support of this bill. The Public Utilities Commission and Consumer Advocate supported the intent of this measure. A concerned individual opposed this bill. The Department of Taxation and Tax Foundation of Hawaii offered comments.

Your Committee finds that the net energy metering law is intended to enable and provide incentives for electricity consumers to produce their own electricity using renewable means. One of the major incentives in this law is the ability of these eligible customer generators to offset their electricity bills with any excess electricity that they feed into the electric grid. This bill recognizes that these offsets should not be subject to the general excise tax on business activities. Your Committee heard testimony from the Department of Taxation that this bill will result in minimal revenue loss to the State.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2931, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho, Karamatsu and Morita.

**SCRep. 412-06 Housing on H.B. No. 2176**

The purpose of this bill is to ease Hawaii's affordable housing and homeless crisis by:

- (1) Promoting the development of self-help housing by allowing the Hawaii Housing and Finance Development Administration (HHFDA) to lease parcels of land for \$1 per year for up to 50 years;
- (2) Expanding the use of the State Rent Supplement Program (Program) by authorizing HHFDA to use Program funds for project-based operating subsidies for state low-income housing units transferred to private organizations to operate and manage the units;
- (3) Expanding the State's low-income housing tax credit to include construction of new affordable housing units and rehabilitation of existing affordable housing units;
- (4) Increasing the conveyance tax allocation to the Rental Housing Trust Fund (RHTF) from 30 to 50 percent;
- (5) Requiring HHFDA to identify public lands suitable for affordable residential development no later than September 1, 2006, and requiring the state agency having control of those lands to initiate transfer of the land to HHFDA no later than December 1, 2006;
- (6) Appropriating \$20,000,000 for grants-in-aid for homeless services and transitional housing programs;
- (7) Appropriating \$10,000,000 to repair and modernize vacant units in federal and state public housing projects; and
- (8) Appropriating \$400,000 for interim construction loans for up to ten homes to be developed as self-help ownership homes.

The Affordable Housing and Homeless Alliance, A Woman's Voice International, Hawaii Family Forum, Hawaii Catholic Conference, Kokua Council, Honolulu Community Action Program, Catholic Charities Hawaii, Land Use Research Foundation of Hawaii, Hawaii Business Roundtable, Hawaii Association of Realtors, Self-Help Housing Corporation of Hawaii, Partners in Care, Blueprint for Change, Hawaii Habitat for Humanity, Faith Action for Community Equity, and several concerned individuals testified in support of this bill. The Office of the Governor supported this measure with amendments. The Housing and Community Development Corporation of Hawaii, Office of Hawaiian Affairs, and a concerned individual supported the intent of this bill. The Department of Taxation, City and County of Honolulu Department of Community Services, Institute for Human Services, Tax Foundation of Hawaii, and a concerned individual offered comments.

This measure was introduced to implement many of the recommendations of the Joint Legislative Affordable Housing and Homeless Task Force. Your Committee is committed to working with stakeholders to find meaningful near-term solutions to address Hawaii's critical affordable housing and homeless needs.

Accordingly, your Committee has amended this bill by:

- (1) Authorizing HHFDA to determine Program payments through administrative rules rather than statute;
- (2) Amending the definition of "housing owner" for purposes of the Program to include HHFDA;
- (3) Removing the restriction against public assistance recipients being considered "qualified tenants" for purposes of the Program;
- (4) Removing provisions for the low-income housing tax credit;
- (5) Increasing the conveyance tax allocation to RHTF to 65 percent; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2176, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2176, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kawakami, Sonson, Halford and Pine.

**SCRep. 413-06 Housing on H.B. No. 2368**

The purpose of this bill is to make permanent the public housing expedited eviction process.

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

Your Committee received testimony from HCDCH that the expedited evictions process imposed in Act 227, Session Laws of Hawaii (SLH) 2002, has greatly reduced the time of the eviction process, thereby benefiting both HCDCH and public housing tenants.

However, your Committee is sympathetic toward households with tenants who are elderly, disabled, or who have minor dependent children, and does not want to see the expedited evictions process have the unintended result of creating more homelessness.

Accordingly, your Committee has amended this bill by:

- (1) Applying the eviction process that was in place prior to the effective date of Act 227, SLH 2002, to households with tenants that are disabled, over the age of 65, or have minor dependent children; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2368, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2368, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 414-06 Public Safety & Military Affairs on H.B. No. 2996**

The purpose of this bill is to allow law-abiding citizens better protection by repealing the prohibition against the manufacture, possession, sale, or acquisition of detachable ammunition magazines for pistols with a capacity in excess of ten rounds.

The County of Kauai Office of the Prosecuting Attorney, Hawaii Rifle Association, and two concerned individuals supported this bill. The Department of the Attorney General and Honolulu Police Department opposed this bill.

Your Committee recognizes that while the intent of the existing prohibition on higher capacity magazines is laudable, it should be noted that only law-abiding citizens appear to comply with this law. In contrast, criminals, who do not have the same respect for the law, are able to gain access to higher capacity magazines and use them to commit crimes. Your Committee believes that law-abiding citizens should not be put at such comparative disadvantage and that repealing the prohibition on higher capacity magazines will improve the ability of law-abiding citizens to defend themselves and their families.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2996 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 415-06 Public Safety & Military Affairs on H.B. No. 2192**

The purpose of this bill is to clarify provisions of the Uniform Controlled Substances Act and conform to federal law.

Specifically, the bill amends chapter 329, Hawaii Revised Statutes, by:

- (1) Adding and amending definitions to section 329-1, Hawaii Revised Statutes, to be consistent with federal law;
- (2) Establishing central fill pharmacies;
- (3) Clarifying the circumstances under which narcotics may be used;
- (4) Clarifying the requirements of a controlled substance prescription;
- (5) Clarifying the conditions for the transmittal of prescriptions by facsimile equipment;
- (6) Adding new violations to the list of prohibited acts; and
- (7) Allowing limited sharing of controlled substances prescription information with other governmental agencies.

The Hawaii Pharmacists Association and Kaiser Permanente testified in support of this bill. The state Department of Public Safety and Longs Drugs supported the bill with amendments.

Your Committee has amended this measure in accordance with the amendments suggested by the Department of Public Safety and Longs Drugs by:

- (1) Clarifying the language defining "central fill pharmacy" in section 2;
- (2) Clarifying the language defining "maintenance treatment" in section 2;
- (3) Adding military identification to the types of valid identification card in section 2;
- (4) Clarifying facsimile prescriptions in section 4; and
- (5) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2192, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2192, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee.

**SCRep. 416-06 Public Safety & Military Affairs on H.B. No. 2446**

The purpose of this bill is to provide financial support to The Queen's Medical Center to ensure that it remains ready to serve the entire community in time of disaster.

Specifically, the bill appropriates \$11,000,000 out of the hurricane reserve trust fund for the purpose of providing a grant to The Queen's Medical Center so that it may purchase emergency power generating equipment to achieve its maximum power use capacity of six thousand kilowatts.

The Queen's Medical Center testified in support of this bill. The state Department of Defense fully supports the intent of the bill, with amendments. The Hawaii Hurricane Relief Fund opposed this bill.

Your Committee finds that the recent tragic events in New Orleans and the surrounding Gulf Coast caused by Hurricanes Katrina and Rita reinforce the urgency of ensuring that the emergency medical caregivers of this State are provided with sufficient facilities and energy capacity to withstand a massive medical emergency.

Your Committee further finds that The Queen's Medical Center is the only medical facility in the State with a trauma center that is certified by the American College of Surgeons. However, The Queen's Medical Center currently lacks sufficient energy generators and structural capability to withstand the wind force of a category five hurricane.

Your Committee also notes the concern that all hospitals in the State should be equipped to some degree with emergency generators.

Your Committee has amended the measure by:

- (1) Adding a statement declaring that the Legislature finds that the appropriation serves a public purpose;
- (2) Changing the sum appropriated from \$11,000,000 to \$1 to promote further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2446, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2446, H.D. 1, and be referred to the Committee on Finance.

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

#### **SCRep. 417-06 Public Safety & Military Affairs on H.B. No. 3121**

The purpose of this bill is to direct the Director of Civil Defense (Director), and organizations under the direction of the Director operating and maintaining emergency shelters during civil defense emergency periods, to make suitable arrangements and accommodations to provide shelter for pet animals, subject to the public's health, welfare, and safety.

The state Department of Defense testified in support of this measure.

Your Committee finds that, concerned over the welfare and safety of their pet animals during an emergency situation, many pet owners would rather put themselves in harm's way than abandon their pets.

Your Committee has amended this measure by:

- (1) Directing the Governor to adopt criteria, requirements, conditions, and limitations for providing suitable arrangements for sheltering pet animals in public shelters;
- (2) Directing the Director to identify public shelters suitable for sheltering pet animals;
- (3) Allowing the Director to identify suitable private shelters for pet animals; and
- (4) Making technical nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3121, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3121, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

#### **SCRep. 418-06 Education/Labor & Public Employment on H.B. No. 2552**

The purpose of this bill is to improve teacher recruitment and retention by:

- (1) Requiring at least one member of the Hawaii Teacher Standards Board (HTSB) to come from a non-teaching background;
- (2) Allowing the Board of Education to consider hiring to teach certain subjects individuals with bachelor's or higher degrees in those subjects and who have prior experience in teaching or teacher training; and
- (3) Authorizing the Department of Education (DOE) to expand on the standardized statewide Teacher Induction Program, which supports newly hired teachers.

The Office of the Governor and Charter School Administrative Office testified in support of this bill. The University of Hawaii, and a concerned individual supported the intent of this measure. HTSB, the Hawaii State Teachers Association, and two concerned individuals opposed this bill. DOE and a concerned individual offered comments.

Upon further consideration, your Committees have amended this bill by replacing its entire contents. Specifically, the bill was amended by inserting an appropriation to provide bonus stipends to teachers who have achieved national board certification under the certification program of the National Board for Professional Teaching Standards, who agree to teach and mentor for at least two years in a school in need of improvement.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2552, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2552, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Cabanilla, Harbin, Souki and Meyer.

**SCRep. 419-06 Education/Labor & Public Employment on H.B. No. 2962**

The purpose of this bill is to improve Hawaii's charter school system by adopting many of the priority proposals developed by the Task Force on Charter School Governance that was established by Act 87, Session Laws of Hawaii 2005. Among other things, this bill:

- (1) Provides consistency and clarity for statutes relating to the administration and governance of charter schools by recodifying and reorganizing the statutes into a new chapter;
- (2) Renames new century charter schools and new century conversion charter schools to "charter schools" and "conversion charter schools", respectively;
- (3) Distinguishes between the procedures for establishing charter schools and conversion charter schools by creating separate sections for each;
- (4) Reclassifies programs within schools seeking to become charter schools as "conversion charter schools" rather than start-up schools;
- (5) Clarifies and enhances the powers and duties of the Charter Schools Administrative Office (CSAO) and its executive director;
- (6) Renames the Charter School Review Panel as the Charter School Authorization Panel (Authorization Panel), expands its membership, and assigns it the role of charter school authorizer;
- (7) Sets an annual limit on the number of new charter schools that can be created, based in part on the number of existing charter schools that become accredited by the Western Association of Schools and Colleges;
- (8) Empowers the local school boards of the charter schools to negotiate supplemental or second-tier collective bargaining agreements with the exclusive representatives of their employees; and
- (9) Amends other parts of the Hawaii Revised Statutes (HRS) to maintain consistency with the provisions of the new chapter relating to charter schools.

Ke Kula o Kamakau, Kanu o Ka Aina New Century Public Charter School, and numerous concerned individuals testified in support of this bill. Two concerned individuals supported this measure in part. The Department of Education, Office of Hawaiian Affairs, Hookakoo Corporation, and The League of Women Voters of Hawaii supported the intent of this bill. A concerned individual opposed this measure. The Office of the Governor, Department of Human Resources Development, Board of Education (BOE), CSAO, Hawaii Teacher Standards Board, University of Hawaii (UH), Kamehameha Schools, Hawaii Government Employees Association, and a concerned individual offered comments.

Your Committees have amended this bill by:

- (1) Including BOE in the description of the charter school system in section 302B-1, HRS;
- (2) Further clarifying that conversion charter schools fall under the category of "charter schools";
- (3) Limiting programs or sections of existing public school populations that can form a conversion charter school to those that are part of a separate Hawaiian language immersion program and using existing public school facilities;
- (4) Requiring each charter school's self-evaluation process to include an evaluation of the school's organizational viability, and defining "organizational viability";
- (5) Changing the provisions relating to the Authorization Panel as follows:
  - (a) Placing the Authorization Panel within CSAO for administrative purposes only;
  - (b) Changing the membership of the Authorization Panel;
  - (c) Requiring the Governor to appoint Authorization Panel members, except for the chairperson of BOE, executive director of CSAO, and dean of the UH College of Education;
  - (d) Requiring that the Authorization Panel include members from all islands to the extent possible;
  - (e) Requiring the chairperson of the Authorization Panel to be chosen by Panel members, instead of specifying the executive director of CSAO;
  - (f) Limiting Authorization Panel members to three consecutive three-year terms of service, and requiring staggered terms;

- (g) Specifying that Authorization Panel members shall not receive compensation;
  - (h) Requiring the Authorization Panel to establish operating rules to include conflict of interest provisions for members;
  - (i) Specifying the powers and duties of the Authorization Panel;
  - (j) Requiring CSAO to provide for staff support and expenses of the Authorization Panel;
  - (k) Allowing the Authorization Panel to adopt administrative rules; and
  - (l) Exempting the Authorization Panel from Chapter 92, HRS, but requiring it to adopt policies to facilitate transparency, openness, public decision-making, and participation;
- (6) Removing language that lifts the cap on the number of charter schools that can be established and reiterating the existing cap;
  - (7) Removing the requirement that the Authorization Panel adopt rules for its review process of proposed charter schools;
  - (8) Setting maximum limits on the amount a nonprofit organization can contribute annually per pupil, toward the operation of a conversion charter school;
  - (9) Changing the provisions relating to collective bargaining for charter schools as follows:
    - (a) Specifying that charter school employees shall be assigned to an appropriate public sector bargaining unit based on the duties and responsibilities they perform for the majority of the time; and
    - (b) Allowing the local school board of the charter school to negotiate a memorandum of agreement or supplemental agreement that only applies to charter school employees, with the exclusive representatives of charter school employees pursuant to chapter 89, HRS;
  - (10) Lifting the requirement that county zoning ordinances must "impose undue burdens on charter schools" before the charter schools are exempt from those ordinances;
  - (11) Allowing civil service employees of a conversion charter school to retain their civil service status in the DOE human resources civil service system;
  - (12) Repealing the definition of "new century charter schools", amending the definition of "public schools" in section 302A-101, HRS, and adding definitions to the same section, to reflect the provisions of the new chapter relating to charter schools and to account for the repeal of the current charter school law;
  - (13) Allowing a member of a collective bargaining unit to serve on a local school board of a charter school, without regard to section 89-6, HRS;
  - (14) Clarifying that DOE has jurisdiction over public schools that DOE establishes and operates, rather than just maintains;
  - (15) Deleting provisions that would have expanded DOE's role in the administration of charter schools;
  - (16) Deleting provisions that would have allowed CSAO to hire its own attorneys;
  - (17) Deleting provisions that would have relieved the Superintendent of Education (Superintendent) of certain duties related to charter schools, including those that:
    - (a) Designate the Superintendent as the chief executive officer;
    - (b) Give the Superintendent jurisdiction over internal organization, operation, and management; and
    - (c) Designate the Superintendent as the signatory for official documents;
 and
  - (18) Making technical, nonsubstantive amendments for clarity, consistency, and style, including renumbering sections, as needed, and making changes to the related references.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2962, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2962, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Cabanilla, Harbin, Souki and Meyer.

**SCRep. 420-06 Education/Labor & Public Employment on H.B. No. 3098**

The purpose of this bill is to clarify statutes relating to charter school employees by:

- (1) Designating the local school board of a charter school as the employer for collective bargaining purposes;
- (2) Allowing the Executive Director of the Charter School Administrative Office (CSAO) to negotiate collective bargaining agreements; and

- (3) Allowing certain charter school employees to have the same transfer, tenure, and promotion rights as other Department of Education (DOE) civil service employees.

Numerous concerned individuals testified in support of this bill. The Department of Human Resources Development and CSOA supported the intent of this measure. The Office of Collective Bargaining, Board of Education, Hawaii Government Employees Association, and Hawaii State Teachers Association offered comments.

Your Committees have amended this bill by:

- (1) Removing provisions that designate the local school board of a charter school as the employer for collective bargaining purposes;
- (2) Removing provisions that allow the Executive Director of CSOA to negotiate collective bargaining agreements;
- (3) Allowing civil service employees at conversion charter schools to retain their civil service status when they take a voluntary demotion to another civil service position;
- (4) Further clarifying that civil service employees of conversion charter schools shall retain their civil service status in the DOE human resources civil service system;
- (5) Allowing certain charter school teachers to have the same transfer, tenure, and promotion rights as other DOE civil service employees, only if they take another teaching position; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3098, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3098, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Cabanilla, Hale, Harbin, Ito, Souki and Meyer.

**SCRep. 421-06 Higher Education on H.B. No. 1924**

The purpose of this bill is to support small business development in Hawaii by appropriating funds to expand management-force development through consulting and training services at the Small Business Development Center.

The Hawaii Small Business Development Center Network testified in support of this measure. The Department of Business, Economic Development, and Tourism supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1924 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 422-06 Higher Education on H.B. No. 3160**

The purpose of this measure is to appropriate funds to the University of Hawaii to address the statewide shortage of nurses.

Specifically, the bill:

- (1) Increases nursing recruitment and class size by increasing faculty and program support, student services, and technical and coordination support;
- (2) Increases enrollment in the graduate nursing program at both the master's and doctoral levels;
- (3) Addresses the faculty shortage with salary adjustments to achieve parity with the market rate for nurses in hospitals and faculty in private universities; and
- (4) Expands the current distance and simulation learning program while maintaining high quality and rigor.

The Dean of the University of Hawaii School of Nursing and Dental Hygiene, the Hawaii Government Employees Association, the Queen's Medical Center, the Healthcare Association of Hawaii, the Hawaii Institute for Wellness in Dentistry, the Hawaii Dental Hygienists' Association, the President-elect of the Hawaii Dental Hygienists' Association, the Hawaii State Center for Nursing, associate professors from Honolulu Community College, numerous licensed dental hygienists, a faculty member from the University of Pennsylvania School of Dental Medicine and Old Dominion University School of Dental Hygiene, participants in the Quentin Burdick Rural Health Interdisciplinary Program, and numerous students in the undergraduate nursing program at the University of Hawaii at Manoa testified in support of this measure. The Interim Associate Dean of the School of Nursing and Dental Hygiene supported this measure with amendments.

Your Committee amended this measure by: changing the specific amounts appropriated to a general unspecified appropriation; and augmenting the appropriation made for the nursing program with other University of Hawaii budget proposals from other bills related to campus security, utilities, the Colleges of Arts and Sciences, the College of Natural Sciences, Hamilton Library, student-run television, and native Hawaiian initiatives.

The substance of these measures, which were heard in a public hearing before your Committee, are incorporated into this bill and relate to:



- (1) Utility and maintenance expenses, originally proposed in H.B. No. 3158. Your Committee finds that the University of Hawaii has a number of newly renovated buildings at its Manoa campus. This, along with the dramatic rise in oil prices, has resulted in a dramatic increase in the cost of electricity. Funds to address this unexpected need were not provided, and the University was forced to reallocate resources to provide for the additional costs, as well as expenses for sewage and maintenance. This bill would provide the necessary funds to address this budgetary shortfall.

The University of Hawaii supported the intent of H.B. No. 3158; provided that the appropriation did not adversely impact priorities in the Board of Regents' approved executive supplemental budget. The President of the Associated Students of the University of Hawaii also testified in support of H.B. No. 3158.

- (2) The Colleges of Arts and Sciences, originally proposed in H.B. No. 3164. Your Committee finds that, since the fall of 2000, the Colleges of Arts and Sciences has increased by 5,507 students, an increase of fifty-five per cent in six years. This measure provides the necessary funds to address the need for additional faculty, advisers, information technology specialists, financial aid and student services staff, and related costs and expenses.

The University of Hawaii's Vice Chancellor for Academic Affairs, the Interim Dean of the College of Arts and Humanities, the Dean of the College of Social Sciences, the Interim Dean of the College of Languages, Linguistics and Literature, academic advisors for the Colleges of Arts and Sciences, the President of the Associated Students of the University of Hawaii, and a multitude of students attending the University of Hawaii testified in support of H.B. No. 3164.

- (3) Campus Security, originally proposed in H.B. No. 3161. Your Committee finds that the University of Hawaii at Manoa is currently facing a campus security staffing shortage due to: staff on military leave, September 11, 2001 concerns, and other staffing problems. This measure appropriates funds to provide the necessary funding to increase the number of security personnel on the Manoa campus to provide a secure and safe environment.

The University of Hawaii Vice Chancellor for Administration, Finance and Operations testified in support of H.B. No. 3161. A senator from the Associated Students of the University of Hawaii testified in support of this measure with recommended amendments. Two University of Hawaii at Manoa students testified in opposition to this measure, citing security guard harassment, and suggested the implementation of safety enhancing measures such as increased lighting and sensor outposts to ensure around-the-clock patrolling of outlying campus areas.

- (4) The College of Natural Sciences, originally proposed in H.B. No. 3159. Your Committee finds that the College of Natural Sciences represents ten per cent of the student population and enrollment has increased sixty per cent in the last thirteen years. This measure would restore teaching positions and provide needed funds for laboratories, equipment, and other new technologies and to update research facilities.

The University of Hawaii Interim Dean of the College of Natural Sciences, the Chairperson of the Department of Zoology, the Director of the Marine Option Program, the Pacific Cooperative Studies program, professors of zoology and microbiology, a master's degree candidate, and numerous University of Hawaii at Manoa undergraduates testified in support of H.B. No. 3159.

- (5) Extending the operating hours of Hamilton Library, originally proposed in H.B. No. 3162. Your Committee finds that the University of Hawaii Hamilton Library is the only major research library in the State. During a nine-week pilot project, the library found that four thousand people used the library from the hours of 11:00 P.M. to 7:00 A.M., the hours the library is usually closed. This measure would provide the necessary funding to allow the library to extend its hours to accommodate the needs of students.

The University of Hawaii Librarian and the President of the Associated Students of the University of Hawaii testified in support of this measure.

- (6) Student-run television, originally proposed in H.B. No. 3166. Student-run television programming is an essential component needed to raise the instructional capabilities within the School of Communications. Student run television programming would provide hands-on experience and theoretical groundings that would assure Hawaii's students of a well-rounded and sophisticated journalistic experience.

A University of Hawaii professor in the School of Communications and numerous University of Hawaii undergraduates in the School of Communication testified in support of H.B. No. 3166.

- (7) Native Hawaiian initiatives, originally proposed in H.B. No. 3157. Your Committee finds that the Kamakakuokalani Center for Hawaiian Studies at the University of Hawaii has an undergraduate program of eighty-five students, a new master's degree program with eighteen students, and provides instruction for more than one thousand students each semester. At present, the Hawaiian language program is severely understaffed and operates without a secretary and, as of last year, without the services of an academic advisor. The Center's curriculum is attentive to the issues and interests of the native Hawaiian people, develops students' potential, and supports community leaders to build the next generation of Hawaiian scholars interested in the issues that affect all Hawaiians.

The University of Hawaii, the Director of the Kamakakuokalani Center for Hawaiian Studies, the Chair of the University of Hawaii Department of Political Science, the Director, Assistant Director, and Project Director of Na Pua Noeau, the Kualii Native Hawaiian Advisory Council, Pae Aina Communications LLP, the Programs Coordinator of the Hoyokulaiwi Center for Native Hawaiian and Indigenous Education, the President of the Na Kuyauhau yo Kahiwakaneikapolei, Ka lei Papahi o Kahuhihewa, Ike Ao Pono, Kamakakuokalani Center for Hawaiian Studies, the College of Education, Department of Curriculum Studies, Nanaikapono Elementary School, a curriculum coordinator, a teacher, an employee, University of Hawaii Ph.D Candidates, master's degree candidates, and a concerned citizen testified in support of this measure. The Chairperson of the Budget Subcommittee for the Kualii Native Hawaiian Advisory Council and the Pukao Native Hawaiian Advisory Council, an Associate Professor in the Pacific Biosciences Research Center and a member of the Kualii Native Hawaiian Advisory Council, an associate professor at the College of Education, an assistant specialist of the University of Hawaii Curriculum Studies Department, and a student in the Masters of Education in Teaching Program testified in support of this measure with suggested amendments.

In addition, your Committee has amended the bill by making technical, nonsubstantive amendments.

Your Committee finds that the appropriations provided by this measure will ensure that the University of Hawaii is properly staffed, equipped, and maintained to provide for the needs of students, faculty, and staff.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3160, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3160, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Chang, Harbin and Ching.

**SCRep. 423-06      Judiciary on H.B. No. 2443**

The purpose of this bill is to ensure the availability of emergency aid and resources for the State during a disaster by ratifying and allowing Hawaii to become a member of the Emergency Management Assistance Compact.

The Department of Defense testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2443 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho and Karamatsu.

**SCRep. 424-06      Judiciary on H.B. No. 1468**

The purpose of this bill is to provide an exemption from the \$25 non-aerial fireworks permit fee for organized religious entities exempt from the general excise tax.

The Hawaii Food Industry Association, Legislative Information Services of Hawaii, Hawaiian Chinese Multicultural Museum, and several concerned individuals supported this bill.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1468 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morita and Souki.

**SCRep. 425-06      Judiciary on H.B. No. 1833**

The purpose of this bill is to allow the counties more flexibility in processing fireworks permits by authorizing counties to appoint designees to issue fireworks permits.

The Hawaii County Fire Department, Legislative Information Services of Hawaii, T.H.Y. & Associates, Inc., and several concerned individuals testified in support of this bill. The Hawaii Food Industry Association supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Prohibiting designees authorized by the county to issue fireworks permits from selling fireworks for permits issued at the same location;
- (2) Changing the effective date to August 1, 2096, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1833, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1833, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morita and Souki.

**SCRep. 426-06      Judiciary on H.B. No. 1819**

The purpose of this bill is to correct inconsistencies and errors in the law regarding liquor consumption and liquor licenses.

The Department of Liquor Control of the County of Maui testified in support of this bill.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1819, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1819, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morita and Souki.

**SCRep. 427-06      Judiciary on H.B. No. 2277**

The purpose of this bill is to appropriate funds to satisfy claims against the State for judgments, settlements, and miscellaneous payments.

The Department of the Attorney General testified in support of this bill.

Your Committee has amended this bill by making technical, nonsubstantive amendments to correct drafting errors.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2277, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2277, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morita and Souki.

**SCRep. 428-06      Judiciary on H.B. No. 2291**

The purpose of this bill is to provide financial resources to the Department of the Attorney General to proactively prosecute false claims made against the State by:

- (1) Establishing a False Claims Trust Fund (Trust Fund); and
- (2) Providing a mechanism to allocate resources to the Trust Fund by requiring that the Attorney General (AG) receive 33 percent of the proceeds or settlement from a false claim prosecution initiated by the AG, or from a false claim initiated by a private individual but assumed by the AG.

The Department of the Attorney General testified in support of this bill.

Your Committee has amended this measure by:

- (1) Limiting the use of monies from the Trust Fund to expenditures, relating to the enforcement of false-claim and qui tam actions, for staff, experts, training, equipment, and facilitating participation in multi-state false claim actions;
- (2) Changing the effective date to July 1, 2010, to facilitate further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2291, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2291, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho and Morita.

**SCRep. 429-06      Judiciary on H.B. No. 2417**

The purpose of this bill is to conform state tax law to federal tax law by providing the Department of Taxation (DOTAX) with the authority to impose civil penalties and seek court injunctions against persons who promote abusive tax shelters and tax preparers who support unrealistic positions on tax returns.

DOTAX testified in support of this bill. The League of Women Voters of Hawaii supported the intent of this measure. The Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Removing the reduction provision from penalties assessed for a tax preparer's wilful or reckless understatement of liability based upon unrealistic positions; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2417, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2417, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Caldwell.

**SCRep. 430-06      Judiciary on H.B. No. 2823**

The purpose of this bill is to develop awareness of and appreciation for freedom in our country by establishing a "Bill of Rights Day," to be held annually on December 15<sup>th</sup>.

The American Civil Liberties Union of Hawaii, The League of Women Voters of Hawaii, and a concerned individual testified in support of this bill.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2823, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2823, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho and Morita.

**SCRep. 431-06      Judiciary on H.B. No. 3217**

The purpose of this bill is to recognize our kupuna's significant role in Hawaii's culture, history, and traditions by establishing the fourth Saturday of July as "Kupuna Recognition Day."

The Maui County Office of Aging and several concerned individuals testified in support of this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3217, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3217, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho and Karamatsu.

**SCRep. 432-06      Energy & Environmental Protection on H.B. No. 2819**

The purpose of this bill is to protect the public health by banning the manufacture, sale, and distribution of a chemical flame retardant, known as decabromodiphenylether.

More specifically, this bill:

- (1) Prohibits the manufacture, sale, and distribution of televisions, computers, upholstered indoor furniture, mattresses, and mattress pads containing commercial decabromodiphenylether;
- (2) Authorizes the Department of Health to grant certain product exemptions if the Department finds that a safer, technically feasible alternative to commercial decabromodiphenylether is not available;
- (3) Requires the Department of Health to submit its findings and recommendations to the 2007 Regular Session of the Legislature on the availability of safer alternatives for the products prohibited from sale by this bill, including any additional evidence of potential harm posed by commercial decabromodiphenylether.

The Environmental Health Fund, Clean Production Action, and the Environmental Working Group testified in strong support of this bill. The Department of Health supports the bill with amendments. The Bromine Science and Environmental Forum testified in opposition.

Your Committee has amended this measure by:

- (1) Deleting the legislative findings in section 1, to leave only the purpose clause; and
- (2) Changing the statutory effective date of the prohibition on manufacture and distribution from July 1, 2007, to July 1, 2008.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2819, as amended herein, and recommends that it be referred to the Committee on Consumer Protection & Commerce in the form attached hereto as H.B. No. 2819, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Harbin and Kanoho.

**SCRep. 433-06      Health/Human Services on H.B. No. 2366**

The purpose of this bill is to provide expanded services to individuals needing long-term care by:

- (1) Increasing the maximum number of residents for type I homes from five to six;
- (2) Increasing the number of residents who can reside in a community care foster family home from two to three;
- (3) Mandating that at least two residents residing in community care foster family homes be Medicaid recipients; and
- (4) Repealing the sunset date of June 30, 2006, to ensure that the quality of services and competency of service providers will continue.

The Department of Health, Department of Human Services, Hawaii Disability Rights Center, and Hawaii Coalition of Care Home Administrators testified in support of this bill. The Adult Foster Home Association of Hawaii supported the intent of this measure. The Kokua Council opposed this measure.

Your Committees have amended this bill by:

- (1) Eliminating the repeal of the sunset date to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2366, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2366, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 434-06 Health/Human Services on H.B. No. 3133**

The purpose of this bill is to increase and improve health care services for low income and rural communities by establishing the Community Health Center Capital Improvements Revolving Fund (Revolving Fund).

Specifically, this bill will provide low interest loans for maintenance, repair, and construction of nonprofit, federally qualified community health centers (FQHCs) to ensure the continuous provision of services by FQHCs.

The Hawaii Primary Care Association, Kaiser Permanente, Waianae Coast Comprehensive Health Center, Waikiki Health Center, Kalihi-Palama Health Center, and a concerned individual supported this bill.

Your Committees find that FQHCs provide health care services to:

- (1) 25 percent of Hawaii's uninsured;
- (2) 17 percent of Medicaid/Quest beneficiaries; and
- (3) An estimated one-third of the state's known homeless population.

This bill will maintain the ability of Hawaii's FQHCs to continue their invaluable early treatment and preventive health programs which greatly reduce later and costlier diagnoses and treatments, translating into savings for the State.

Your Committees have amended this bill by:

- (1) Authorizing the Director of Finance to release general obligation bonds for the Revolving Fund;
- (2) Providing that the funds deposited into the Revolving Fund be expended by the Department of Human Services for the purposes of this Act;
- (3) Inserting an appropriation amount of \$1 to encourage further discussion;
- (4) Changing the expending agency to the Department of Health; and
- (5) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3133, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3133, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Stonebraker.

**SCRep. 435-06 Transportation on H.B. No. 1899**

The purpose of this bill is to enhance the health and safety of moped riders under the age of 18 by requiring the use of a safety helmet when operating a moped on a highway, street, or any other public property.

The Honolulu Police Department and State Farm Mutual Automobile Insurance Company testified in support of this bill. Street Bikers United Hawaii and a concerned individual opposed this measure.

Your Committee finds that moped use is increasing in Hawaii, in part due to high fuel costs. Although national statistics on moped operator fatalities are not available, national data on unhelmeted motorcycle riders indicate that those individuals are 40 percent more likely to sustain a fatal head injury than helmeted riders. Riders of mopeds, which are similar in nature to motor scooters and motorcycles, can expect to experience the same risk ratios when not wearing a helmet. It has been estimated that safety helmets can reduce the risk of head injury by as much as 85 percent and the risk of brain injury by as much as 88 percent.

Your Committee finds that an exorbitant amount of health care costs associated with traumatic head injury could be avoided by the use of a helmet. Moreover, your Committee finds that there is grief to the loved ones of an accident victim when the inevitable thought of whether a safety helmet would have saved their loved one enters their minds. The use of a safety helmet very well could have saved that life, as statistics show that more likely than not, safety helmets save lives. Mandating the wearing of safety helmets when riding or operating these vehicles is a relatively small sacrifice of personal liberty to help prevent tragedies to families and our community.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1899 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Moses.

**SCRep. 436-06      Transportation on H.B. No. 2422**

The purpose of this bill is to enhance pedestrian safety by establishing a three-tiered sentencing structure with graduated penalties for drivers who violate Hawaii's pedestrian crosswalk law.

The Department of Transportation (DOT), Department of Health, and Honolulu Police Department testified in support of this bill. The Office of the Public Defender opposed this measure. A concerned individual submitted comments.

Your Committee finds that pedestrians crossing the street are suffering too many injuries and fatalities and that these numbers continue to increase every year. These incidents are often caused by inattentive drivers, but pedestrians also share some of the blame. Although many of these incidences occur outside of a marked crosswalk, far too many occur while a pedestrian is crossing the street in a marked crosswalk. In fact, according to DOT, in 2005 there were 36 traffic fatalities involving pedestrians, 13 of which occurred within a crosswalk.

While your Committee understands that the penalties in this measure may be extreme, pedestrian safety is a serious issue that deserves the utmost attention and is worthy of further consideration.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2422 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Moses.

**SCRep. 437-06      Transportation on H.B. No. 2575**

The purpose of this bill is to improve Hawaii's motor vehicle insurance laws by:

- (1) Establishing a misdemeanor offense for becoming involved in a motor vehicle accident while knowingly operating an uninsured motor vehicle or recklessly disregarding the fact that the motor vehicle is uninsured; and
- (2) Providing judges discretion to sentence an individual to a 48-hour jail term in lieu of a fine or community service for failure to have motor vehicle insurance.

The Office of the Prosecuting Attorney of the County of Kauai testified in support of this bill. The Honolulu Police Department, Office of the Public Defender, and a concerned individual opposed this measure. The Department of the Prosecuting Attorney of the City and County of Honolulu (Prosecuting Attorney) submitted comments.

Your Committee finds that a number of individuals operate motor vehicles without proper motor vehicle insurance, leaving other pedestrians and drivers without recourse when that individual is involved in a traffic accident. This measure may encourage drivers to become insured.

Although your Committee understands the concerns raised by the Prosecuting Attorney that the offense may be better classified as a petty misdemeanor, that recommendation is beyond the purview of your Committee on Transportation, which respectfully requests the Committee on Judiciary to look at the severity of the offense proposed under this bill.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2575 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Moses.

**SCRep. 438-06      Transportation on H.B. No. 1805**

The purpose of this bill is to increase motor vehicle safety by:

- (1) Prohibiting the use of a hand-held cellular phone while operating a motor vehicle upon a public highway, unless equipped with a hands free device;
- (2) Prohibiting the use of a hand-held cellular phone, including those equipped with hands free devices while operating a moving school bus that is carrying passengers;
- (3) Allowing exemptions for emergency use or use by law enforcement or emergency personnel; and
- (4) Imposing fines for using a hand-held cellular phone while operating a motor vehicle.

Verizon Wireless testified in support of this bill. The Hawaii Association of Realtors supported the intent of this measure. Sprint testified in opposition to this bill. The Department of the Prosecuting Attorney of the City and County of Honolulu, Hawaii Transportation Association, and Cingular Wireless submitted comments.

The use of a hand-held cellular device while operating a motor vehicle can be a distraction that may lead to a motor vehicle collision often being compared to the risk of driving while intoxicated. Your Committee finds that collisions due to the use of a hand-held cellular device could be avoided and personal injury and property damage eliminated if regulations exist to restrict the use of a hand-held cellular device while operating a motor vehicle.

However, your Committee finds that questions remain as to whether drivers of commercial motor vehicles who use two-way radios or "walkie-talkie" type cell phones as a means of communication with their place of business would be prohibited from using these devices during working hours on the road. Your Committee was also informed that police or prosecutors may need to subpoena billing or work records to rebut

a claim that an individual was using a mobile telephone for emergency purposes and that permitting the use of mobile telephones equipped with hands-free devices need to be clarified to ensure that the mobile telephone was also being used in the hands-free mode. Moreover, it was requested that your Committee work to keep regulations on the use of mobile telephones uniform throughout the state by prohibiting counties from enacting more stringent ordinances affecting the use of mobile telephones by drivers.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that the use of a mobile telephone while operating a vehicle on a public highway equipped with a hands-free accessory is allowed if the mobile phone is used in the hands-free mode;
- (2) Adding an exemption for properly licensed drivers of a commercial vehicle with a Gross Vehicle Weight Rating of 10,001 pounds or more;
- (3) Providing an affirmative defense by a preponderance of evidence that the driver was making an emergency call, was using the mobile telephone in an official capacity as a law enforcement or emergency personnel, or using the mobile telephone as a properly licensed operator of a commercial vehicle;
- (4) Prohibiting the counties from enacting laws inconsistent with, or more restrictive than, the provisions of this bill and declaring void any such laws or rules, if enacted;
- (5) Clarifying that the provisions of this bill may only be enforced as a secondary action when a driver of a motor vehicle has been detained for a suspected violation of another traffic infraction; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1805, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1805, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Moses.

**SCRep. 439-06      Transportation on H.B. No. 2639**

The purpose of this bill is to enhance traffic safety by increasing sanctions for persons operating a motor vehicle with a high blood alcohol level.

The Department of Transportation, Department of Health, Honolulu Police Department, and Mothers Against Drunk Driving-Hawaii testified in support of this bill. The Office of the Public Defender opposed this measure.

Hawaii has seen an increase in the number of alcohol-related traffic accidents and fatalities. More alarming is the number of impaired drivers operating a motor vehicle with a high blood alcohol content. In fact, over the last five years, approximately 48 percent of intoxicated drivers involved in alcohol-related crashes in Hawaii had a blood alcohol content (BAC) of .15 or higher with the average BAC of a driver arrested for driving under the influence of an intoxicant estimated to be .14. These highly intoxicated and impaired drivers are a danger not only to themselves but also to other motorists and pedestrians.

However, your Committee notes that this measure proposes a license and vehicle registration revocation period of at least one year which is the same penalty given to those refusing to take a BAC test. Accordingly, your Committee has amended this bill by:

- (1) Changing the license and vehicle registration revocation period for highly intoxicated drivers to six months; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2639, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2639, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Moses.

**SCRep. 440-06      Transportation on H.B. No. 2747**

The purpose of this bill is to assist persons with disabilities by allowing the examiner of drivers to issue an instruction permit to an applicant with disabilities who:

- (1) Possesses a valid driver's license from another state;
- (2) Is required to take a road test to obtain a license in Hawaii; and
- (3) Fails to pass a road test on a first attempt.

The Department of Transportation and Disability and Communication Access Board testified in support of the intent of this bill.

Generally, when a licensed applicant with disabilities applies for a drivers license in Hawaii, the applicant must appear before the State Medical Advisory Review Board (Board) which makes a recommendation to the examiner of drivers as to whether the individual must pass a road test as a condition of licensure. If the applicant currently has a license and is required to pass a road test and fails, the examiner of drivers is unable to downgrade the individual's license to a permit status and must revoke that individual's license. This makes it difficult for the individual to continue to operate a motor vehicle to practice for a subsequent road test.

After further consideration, your Committee has amended this measure by clarifying that:

- (1) The examiner of drivers may issue an instruction permit to any applicant with a disability who completed a medical review with the State, and as a condition to licensure, must pass a road test but has failed a road test on the applicant's first attempt;
- (2) The instruction permit may be renewed no more than 30 days prior to or 90 days after the expiration date of the instruction permit, upon receiving an updated medical evaluation rather than a medical report; and
- (3) An "applicant with disabilities" means an applicant who the examiner of drivers has reasonable cause to believe may have a mental or physical infirmity or disability that would make it unsafe to operate a motor vehicle pursuant to section 286-119, Hawaii Revised Statutes (HRS), and has been reviewed by the Board pursuant to section 286-4.1, HRS.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2747, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2747, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Chong, Nakasone, Tanaka and Stevens.

**SCRep. 441-06      Transportation on H.B. No. 2075**

The purpose of this bill is to improve Hawaii's bikeway system by earmarking a percentage of State Highway Fund monies for bikeways and specifying the elements of bikeway development.

Na Kama Hele, Mayor's Advisory Committee on Bicycling of the City and County of Honolulu, Hawaii Bicycling League, a member of the Waikiki Neighborhood Board #9, the University of Hawaii at Manoa Bicycling Committee, and several concerned individuals testified in support of this bill. The Department of Transportation supported the intent of this measure. The Tax Foundation of Hawaii submitted comments.

While bicycling has always been a recreational activity in Hawaii, it is fast becoming a favored mode of transportation, especially in light of high fuel costs. Bicycling also has the added benefits of lessening traffic congestion, lowering repair and maintenance costs of Hawaii's roadways, and improving the overall air quality of our state, as well as the health of our citizens. However, your Committee understands the safety concerns raised by bicyclists and finds that ensuring a coordinated and continuous system of bikeways will help improve bicycling safety.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2075 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Moses.

**SCRep. 442-06      Transportation on H.B. No. 3081**

The purpose of this bill is to increase the efficiency of government operations by appropriating funds to purchase an aircraft to transport state officials in the course of conducting official state business.

The Department of Transportation (DOT) opposed this bill.

Your Committee finds that while other states own aircraft for the same purpose and that Hawaii's geographic configuration makes it a prime candidate for such an aircraft, operational and maintenance costs are prohibitive.

On the other hand, recent events in Afghanistan and Iraq are requiring the deployment of the United States Army's 68th Medical Company's Medical Assistance to Safety and Traffic helicopter, more commonly known as MEDEVAC, leaving Oahu without a roto-wing aeromedical service to transport critical patients from outlying rural areas to medical care facilities in Honolulu.

Accordingly, your Committee has amended this measure by:

- (1) Deleting its contents and inserting language that appropriates \$1,900,000 for DOT to purchase an intra-island only roto-wing aeromedical services aircraft for rural Oahu; and
- (2) Making a technical, nonsubstantive amendment for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3081, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3081, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Moses.

**SCRep. 443-06      Transportation/Water, Land, & Ocean Resources on H.B. No. 2399**

The purpose of this bill is to enhance ferry service between the islands of Maui county by expanding preferential consideration for ferry landings to all small boat harbors within Maui county.

The Department of Land and Natural Resources testified in support of this bill. Lahaina Divers, Trilogy Excursions, EXPEDITIONS, Frogman Charters, and Ocean Tourism Coalition supported the bill with amendments.



Currently, only ferry service between the islands of Maui and the Molokai is afforded preferential consideration for both ferry landings and other commercial purposes, including the issuance of commercial operating permits and the waiver of applicable fees. Your Committees find that allowing preferential consideration to all small boat harbors within the county of Maui increases the possibility of expanding ferry service between all islands in Maui county.

However, your Committees have concerns regarding the application of preferential consideration to commercial purposes other than a ferry service. Accordingly, your Committees have amended this bill by:

- (1) Specifying that preferential consideration only be given for ferry landings and not for other commercial purposes; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Transportation and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2399, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2399, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Schatz and Waters.

**SCRep. 444-06 Energy & Environmental Protection on H.B. No. 2710**

The purpose of this measure is to prohibit as disorderly conduct the operation of motorized equipment with noise levels exceeding one hundred twenty decibels between the hours of 5:00 p.m. and 8:00 a.m., any day of the week.

A concerned citizen testified in support of this measure. The Outdoor Power Equipment Institute, Inc. submitted testimony in support of this measure with amendments, while the Department of Transportation supported the intent of this measure. The General Contractors Association of Hawaii opposed this measure. The Department of Agriculture submitted comments.

Your Committee has amended this measure by:

- (1) Changing the time period during which operating loud motorized equipment is prohibited from between "5:00 p.m. and 8:00 a.m." to "7:00 p.m. and 7:00 a.m.", any day of the week;
- (2) Clarifying that, for purposes of this measure, motorized equipment is loud if its noise levels exceed one hundred twenty decibels ("a" scale) when measured at the operator's ear; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee received concerns from the Department of Agriculture that this measure may negatively impact the agricultural industry, as farming does not occur between fixed hours of the day. The Department of Transportation and the General Contractors Association also expressed concerns that this measure may interfere with construction and other maintenance work, which is required to be done during evening and early morning hours. Your Committee notes that these issues should receive further examination by subsequent committees.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2710, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2710, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Carroll, Harbin and Kanoho.

**SCRep. 445-06 Energy & Environmental Protection on H.B. No. 1948**

The purpose of this measure is to make amendments to the deposit beverage container law.

More specifically, this measure:

- (1) Requires distributors to report container numbers sold and make fee payments on that basis;
- (2) Specifies redemption center operating hours;
- (3) Permits calculation of refund value by container count in certain instances; and
- (4) Allows refusal of refund for previously baled or biscuited containers.

Reynolds Recycling and the Hawaii Chapter of the Sierra Club testified in support of this measure. The Department of Health supported this measure with amendments. Rolloffs Recycling supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Adding a provision to change the container volume in the definition of "deposit beverage container" from sixty-four fluid ounces to sixty-eight fluid ounces;
- (2) Moving the proposed thirty hours per week business hour requirement for redemption centers from section 342G-114, Hawaii Revised Statutes, to section 342G-113, Hawaii Revised Statutes, to ensure that the new business hour requirement is applicable only to redemption centers operated by dealers;
- (3) Requiring dealer redemption centers to operate for at least five hours per week on Saturday or Sunday;

- (4) Allowing redemption centers to refuse to pay the refund value for deposit beverage containers that exhibit the characteristics of having been previously "processed and baled", rather than "baled or biscuited"; and
- (5) Making technical nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1948, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1948, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Harbin and Kanoho.

**SCRep. 446-06 Energy & Environmental Protection on H.B. No. 2506**

The purpose of this measure is to exempt county mass transit buses from the state fuel tax.

The City and County of Honolulu's Department of Transportation Services and Oahu Transit Services, Inc. testified in support of this measure. The state Department of Transportation opposed this measure. The Department of Taxation and the Tax Foundation of Hawaii submitted comments.

Your Committee finds that the City and County of Honolulu and the state Department of Transportation are developing a more comprehensive transportation system for the island of Oahu. Since the system appears to be in the planning stage, your Committee has amended the bill by adding a sunset date of July 1, 2016, until more information on the system is provided to your Committee.

Your Committee has also amended this measure by:

- (1) Inserting exemption in section 243-7, Hawaii Revised Statutes, relating to exemptions to chapter 243, Hawaii Revised Statutes (fuel tax), instead of adding a new section to chapter 243;
- (2) Clarifying that this measure exempts the "sale" and not the "purchase" of liquid fuel by county transportation systems; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2506, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2506, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Harbin and Kanoho.  
(Representative Berg voted no.)

**SCRep. 447-06 Judiciary on H.B. No. 2476**

The purpose of this bill is to amend various provisions of the Hawaii Revised Statutes and the Session Laws of Hawaii pursuant to chapter 23G, Hawaii Revised Statutes, to correct errors, update references, clarify language, and delete obsolete or unnecessary language.

Your Committee finds that all of the statutory amendments proposed by the measure are of a purely technical nature and either contain no substantive changes to the law or, if they have any substantive effect, are done simply to correct the types of errors noted in this report.

Your Committee finds the reasons for the respective technical amendments made in the bill are as follows:

**Section 1.** L 2005, c 128, §3 amended section 6E-11, HRS, by adding subsection (e), which provides in part "... human skeletal remains, as defined in chapter 6E ...". "Human skeletal remains" are defined in section 6E-2, HRS.

Section 6E-11(e), HRS, should be amended to refer to section 6E-2, HRS, as the section defining "human skeletal remains".

**Section 2.** Section 40-82, HRS, was amended by Acts 102 and 154, Session Laws of Hawaii 2005. Act 102 amended subsections (b) and (c), more specifically, by substituting the term "delinquent receivables" for "fine or restitution". Act 102 also added the definition of "delinquent receivables" to include "fines, restitution, and other collectibles".

Act 154, on the other hand, deleted subsection (c) and renumbered the remaining subsections (d) and (e) as (c) and (d) respectively. Act 154 also made minor style changes throughout the section, including the substitution of the term "fine or restitution" for "account" in subsection (b); the same term that was deleted and replaced by Act 102.

To give effect to the substantive amendment of subsection (b) made by Act 102, the revisor did not substitute the term "fine or restitution" for "account" and instead retained the word "account" within brackets.

Section 40-82(b), HRS, should be amended to delete the brackets around "account" to ratify the revisor's retention of the word.

**Section 3.** As enacted by L 2005, c 245, §2, section 87D-6(c)(2), HRS, read "If, by the fiduciary's failure to comply with subsection (a) or (b), the fiduciary has been enabled such other fiduciary to commit breach; or...".

Section 87D-6(c)(2), HRS, should be amended by deleting the brackets around the words "has enabled" to ratify the revisor's substitution of the words "has enabled" for "has been enabled".

**Section 4.** L 2003, c 178, §§4 and 60 repealed sections 201G-401 to 403, subpart N of part III of chapter 201G, Hawaii Revised Statutes, and section 201G-341, subpart I of part III of chapter 201G, Hawaii Revised Statutes, respectively. L 2002, c 178, §10 repealed section 201G-421, HRS, and L 2003, c 178, §64 repealed section 201G-422, HRS, which together comprised subpart P of part III of chapter 201G, Hawaii Revised Statutes. These repealed subparts and sections are still referenced in section 201G-441, HRS.

Section 201G-441, HRS, should be amended by deleting reference to these repealed subparts and sections.

**Section 5.** Section 302A-1133.5(b), HRS, provides in relevant part: "Destruction of school property by a student, in addition to all other legal action that may be taken, shall subject the student's parent, parents, or guardian to proceedings under section 302A-1130 or 302A-1153, as appropriate". L 2004, c 220 deleted from section 302A-1130, HRS, the department of education's authorization to charge students for

damaging school books, supplies, or equipment and giving the students and their parents an opportunity to be heard regarding such charges and added somewhat similar deleted language to section 302A-1130.5, HRS.

Section 302A-1133.5(b), HRS, should be amended by changing section "302A-1130" to "302A-1130.5" to properly reflect the section under which a student's parents will be subject to proceedings relating to destruction of school property by a student.

**Section 6.** L 2005, c 87, §7 amended section 302A-1186(b), HRS, and in so doing, created four paragraphs, three of which contain subparagraphs numbered (1) through (4), (1) through (5), and (1) through (11). Referencing or citing the subparagraphs is ambiguous and confusing because, for example, a reference to "section 302A-1186(b)(1)" could mean any of three different subparagraphs in the same subsection that are all numbered "(1)".

Section 302A-1186(b), HRS, should be amended by reorganizing the subsection and redesignating these subparagraphs.

**Section 7.** L 2005, c 189, §§6 and 7, amended section 302A-1312, HRS, one by amending to the Hawaii Revised Statutes section itself and the other by amending L 2004, c 164, §9. Section 11 of Act 189 provides that sections 6 and 7 shall not take effect if the contingent amendment addressed in section 35(5) of Act 164, Session Laws of Hawaii 2004, does not take effect on July 1, 2005. Act 164, which was to take effect on July 1, 2005, and the contingent amendment addressed in section 35(5), was amended by L 2005, c 93, §7, to take effect on July 1, 2006.

On July 1, 2006, section 302A-1312, HRS, as amended by L 2004, c 164, §9 will effectively "repeal" the amendments made to section 302A-1312, HRS, by L 2005, c 189, §7, unless the Act 189 amendments are reenacted to that July 1, 2006 date.

This problem can be solved by reenacting section 302A-1312, HRS, in its present form, effective July 1, 2006. This will preserve the amendments made by Act 189.

**Section 8.** The last sentence of section 325-9, HRS, provides in part that "The department or its agent, in effecting any removal or quarantine under this [section] or section 325-8, may require any sheriff...".

Section 325-9, HRS, should be amended by deleting the brackets around "section" to ratify the revisor's insertion of the word "section" to allow proper reference to section 325-9 itself and section 325-8.

**Section 9.** The first sentence of section 353-61, HRS, provides in relevant part "Members of the paroling authority shall be nominated by a panel composed of the chief justice of the Hawaii supreme court, ... a member from the general public to be appointed by the governor and the president of the Hawaii chapter of the national association of social workers." The end of the preceding sentence incorrectly makes it appear that one member of the panel will be from the general public and appointed by the governor and the president of the Hawaii chapter of the national association of social workers. This unintended ambiguity can be properly clarified by adding a comma.

Also, the fourth sentence of section 353-61, HRS, provides that "Of the members first appointed after May 13, 1976, the member designated as chairperson shall be appointed for a term of four years, one member shall be appointed for a term of three years, and one member shall be appointed for a term of two years; ...". This phrase should be deleted as functus, as such membership terms were fulfilled.

Section 353-61, HRS, should be amended by adding a comma after the word "governor" to clarify that the members on the panel will include someone from the public and also the president of the Hawaii chapter of the national association of social workers, and deleting reference to the appointment terms of members first appointed after May 13, 1976.

**Section 10.** Section 501-6, HRS, outlines the appointment and duties of the registrar and assistants for the land court. The section heading to describe this section separates the independent clauses of "registrar and assistant" from the words "appointment, tenure, powers, and duties" with a comma.

Section 501-6, HRS, should be amended by replacing the comma after "registrar and assistant" with a semicolon to emphasize the relationship between the two phrases.

**Section 11.** Section 501-23, HRS, should be amended to update obsolete dates (i.e., providing for signature in the year "19\_\_") and remove gender specific terms.

This and other sections of the Hawaii Revised Statutes are included in this revision bill to gender neutralize sections that the revisor felt were not within the revisor's authority to make under section 23G-15(8), HRS, that is, to substitute a gender neutral term for a gender specific one "without altering the sense, meaning, or effect of any act".

**Section 12.** Section 501-41, HRS, should be amended to update obsolete dates and remove gender specific terms.

**Section 13.** Section 501-71, HRS, should be amended to remove gender specific terms.

**Section 14.** Section 501-139, HRS, should be amended to remove gender specific terms.

**Section 15.** Section 501-186, HRS, should be amended to remove gender specific terms.

**Section 16.** Section 501-217, HRS, should be amended to remove gender specific terms.

**Section 17.** Section 502-16, HRS, references section 502-15 and then refers to section 502-15 as "the section", thus causing confusion as to which section is being referred to.

Section 502-16, HRS, should be amended to clarify that the references to "the section" are to "section 502-15".

**Section 18.** Section 502-41, HRS, should be amended to update obsolete dates, remove gender specific terms, and make minor style changes for purposes of clarity.

**Section 19.** Section 502-43, HRS, should be amended to update an obsolete date and remove gender specific terms.

**Section 20.** The last paragraph of section 502-85, HRS, should be a new subsection as it is not part of the definitions of subsection (c). Rather, it provides for what happens if a claimant's claim or lien upon the real estate covered by the agreement of sale is extinguished according to section 502-85 before the claimant actually receives satisfaction of the claim or lien.

Section 502-85, HRS, should be amended by designating the last paragraph of subsection (c) as subsection (d).

**Section 21.** In section 507-49(a), HRS, the first sentence of the second paragraph states that "the issue of reasonable advancement of credit shall be decided by the circuit judge at the return day hearing provided for in section 507-43(c)...". The return day hearing is covered under section 507-43(a). In addition, subsection (b) contains gender specific terms.

Section 507-49, HRS, should be amended to reference the correct subsection for return day hearings and to remove gender specific terms.

**Section 22.** Section 514B-32(a), HRS, should be amended by moving the exception language following the semicolon in subsection (a)(13)(B) out to the left to properly modify the entire paragraph (13).

**Section 23.** Section 514B-91, HRS, should be amended by moving the second and third sentences in paragraph (2) out to the left margin to modify the entire section.

**Section 24.** L 2005, c 157, §4, amended section 514B-140, HRS, by amending L 2004, c 164, §2. Act 157 took effect on September 1, 2005. Act 164, which was to take effect on July 1, 2005, was amended by L 2005, c 93, §7, to have a delayed effective date of July 1, 2006. On July 1, 2006, section 514B-140, HRS, as enacted by L 2004, c 164, §2 will effectively "repeal" the amendments made to section 514B-140, HRS, by L 2005, c 157, §4, unless the Act 157 amendments are reenacted to that July 1, 2006 date.

This reenactment of section 514B-140, HRS, effective July 1, 2006, will preserve the Act 157 amendments. Section 514B-140 is being "amended" solely for the purpose of deleting the brackets around the section number. The substance of the section is being reenacted.

**Section 25.** Section 514B-149(c), HRS, contains two sets of paragraphs numbered (1) to (4) and (1) to (3). Referencing or citing these paragraphs causes confusion because, for example, a reference to "section 514B-149(c)(1)" could mean either of two different paragraphs numbered "(1)" within the same subsection.

Section 514B-149(c), HRS, should be amended by redesignating the same numbered paragraphs to prevent confusion or ambiguity.

**Section 26.** L 2005, c 83, §2(2) amended the definition of "blanket lien" in section 514E-1, HRS, to take effect upon approval (May 27, 2005). L 2004, c 164, §21 also amended the definition of "blanket lien" but with a delayed effective date of July 1, 2005. L 2005, c 93, §7 amended L 2004, c 164, §35 to further delay the Act 164 amendment to July 1, 2006. On July 1, 2006, the amended definition of "blanket lien" by L 2004, c 164, §21 will effectively "repeal" the amendments made by L 2005, c 83, §2(2) unless the Act 83 amendments are reenacted to that July 1, 2006 date.

This reenactment of "blanket lien", effective July 1, 2006, will preserve the Act 83 amendments.

**Section 27.** Section 516-28, HRS, should be amended to remove a gender specific term.

**Section 28.** Section 523A-23, HRS, relating to the deposit of funds under the unclaimed property act, chapter 523A, was repealed by L 2003, c 115, §2, and replaced by section 523A-23.5, HRS, the unclaimed property trust fund. Section 523A-22(d), HRS, still contains reference to repealed section 523A-23, HRS.

Section 523A-22(d), HRS, should be amended by replacing reference to repealed section 523A-23, HRS, with section 523A-23.5, HRS.

**Section 29.** L 1990, c 184 authorized the counties to establish a general excise and use tax surcharge through, among other things, the enactment of sections 46-16.7, 235-16, 237-8.5, 238-2.5, and 248-2.5, HRS. The authorization to establish the surcharge was granted only if the counties adopted an ordinance before October 1, 1992, to take effect on January 1, 1993, and remain in effect for ten years through December 31, 2002. Since the county was not successful in adopting an ordinance to establish this surcharge at that time, sections 235-16, 237-8.5, 238-2.5, and 248-2.5, HRS, were subsequently repealed as functus by L 2003, c 135. Section 46-16.7, HRS, was not included in the repeal of these surcharge sections.

Section 46-16.7, HRS, should also be repealed as functus. The repeal of this provision should not be confused with similar provisions contained in section 46-16.8, HRS, that was enacted by L 2005, c 247, which authorizes the counties to levy a county surcharge to fund public transportation systems.

**Section 30.** The prefatory language of L 2005, c 33, §1 purports to amend section 291E-61, HRS, in its entirety as it states: "Section 291E-61, Hawaii Revised Statutes, is amended to read as follows"; however, it sets out only subsection (b) of section 291E-61, HRS. Read literally, this has the unintended effect of repealing all of section 291E-61 except subsection (b).

The prefatory language of L 2005, c 33, §1 should be amended to state that only "subsection (b)" of section 291E-61, HRS, is amended, to clarify that the other subsections of section 291E-61, HRS, are not impliedly repealed.

**Section 31.** The prefatory language of L 2005, c 129, §2 provides that "Act 261, Session Laws of Hawaii 2000, as amended by Act 68, Session Laws of Hawaii 2002, section 2, as amended by Act 103, Session Laws of Hawaii 2002, section 1, is amended by amending section 5 to read as follows:..." Act 68, Session Laws of Hawaii 2002, section 2, was not amended by Act 103, Session Laws of Hawaii 2002, section 1. Section 5 of Act 261, Session Laws of Hawaii 2000 was amended by Acts 68 and 103, Session Laws of Hawaii 2002.

To eliminate any possible ambiguity, the prefatory language of L 2005, c 129, §2 should be amended to state that section 5 of Act 261, Session Laws of Hawaii 2000 was amended by Act 68 and Act 103, Session Laws of Hawaii 2002.

**Section 32.** L 2005, c 202, §3 amended section 89-6(f), HRS. L 2005, c 245, §5 also amended section 89-6, HRS, by adding a new subsection (f) and redesignating the existing subsection (f) as subsection (g). The amendments made by Act 245 are subject to repeal and reenactment by L 2005, c 245, §8 on July 1, 2008 and section 89-6, HRS, is reenacted in the form it read on July 11, 2005 (the effective date of Act 245). Unless excepted, the Act 202 amendments will be subject to Act 245's repeal and reenactment provisions.

L 2005, c 202, §5 should be amended to exempt the amendments that Act 202 made to section 89-6, HRS, from the repeal and reenactment provision of L 2005, c 245, §8.

**Section 33.** L 2005, c 236, §§20 and 24 amended L 2004, c 45, §§36 and 39 to clarify, respectively, that appropriations out of the emergency and budget reserve fund for fiscal year 2004-2005 was to the Boys and Girls Club of Hawaii to assist in the completion and operation of the Teen Center at Nanakuli high and intermediate school, and to Ho'omau Ke Ola for the Weed and Seed Program to collaborate with and support existing programs on the Waianae Coast, effective July 1, 2005. Section 2 of Act 236 extended the lapse date of this as well as other appropriations from June 30, 2005, to June 30, 2007.

L 2005, c 236 should be amended by amending section 27 to provide that the amendments made to sections 20 and 24 take effect the same time as section 2, to avoid any confusion as to the correct entity to whom the funds were appropriated.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2476 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Morita and Souki.

**SCRep. 448-06      Judiciary on H.B. No. 2896**

The purpose of this bill is to clarify that liability for negligent infliction of emotional distress or disturbance will not arise from damage to real property or inanimate material objects.

Several concerned individuals testified in support of this bills.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2896 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Morita and Souki.

**SCRep. 449-06      Judiciary on H.B. No. 2900**

The purpose of this bill is to enhance the validity of the electronic voting process by:

- (1) Clarifying that, when using electronic voting machines, either a paper receipt or a voter verifiable audit trail that contains only a record of the voter's ballot selections may be used to verify a voter's vote; and
- (2) Allowing a voter verifiable paper audit trail to be used to:
  - (A) Assess the accuracy of the voting machine's electronic record; and
  - (B) Verify the election results.

The Office of Elections, Office of the County Clerk of the County of Maui, Office of the County Clerk of the County of Hawaii, Office of the County Clerk of the County of Kauai, Office of the City Clerk of the City and County of Honolulu, and The League of Women Voters of Hawaii testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2900 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Morita and Souki.

**SCRep. 450-06      Judiciary on H.B. No. 3242**

The purpose of this bill is to prohibit the consumption of alcohol by a person less than 21 years of age.

The Honolulu Police Department, Mothers Against Drunk Driving (MADD), and members of MADD Youth in Action testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3242 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Morita and Souki.

**SCRep. 451-06      Judiciary on H.B. No. 2287**

The purpose of this bill is to help children and families in single-parent situations receive child support payments in a timely and consistent manner by improving the enforcement policies of the Child Support Enforcement Agency (Agency). This bill allows the Agency to suspend the various state licenses of those individuals who have become delinquent in making payments even after entering into an agreement once notice was sent informing the individual of the license suspension process. The current policy requires the Agency to initiate the entire license suspension process again if the individual has entered into an agreement, causing unnecessary delay for families who receive the needed support.

The Attorney General testified in support of this bill.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2287, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2287, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Caldwell, Kanoho and Morita.

**SCRep. 452-06      Judiciary on H.B. No. 3234**

The purpose of this bill is to prohibit elected officials and candidates for office from appearing in a public service television, radio announcement broadcast, or print advertisement produced on behalf of a state-administered program or paid for with state or public funds three months prior to an election.

The Campaign Spending Commission supported the intent of this bill.

Your Committee believes that the prohibition should apply to all candidates and that the prohibition should commence upon the candidate filing nomination documents. Your Committee also notes that the prohibition is not intended to cause confusion with the laws pertaining to electioneering communications.

Accordingly, your Committee has amended this bill by:

- (1) Applying the prohibition of appearing or lending voice to a public service announcement to all candidates for office from the time the candidate files nomination papers until the time the person is no longer a candidate;
- (2) Clarifying that a candidate who is a public official is exempt from the prohibition if the announcement or advertisement is in response to disaster or state or national emergency for purposes necessary to the official function of the candidate;
- (3) Specifying that the provisions are not intended to prohibit a candidate from appearing in any broadcast of official state or county proceedings; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3234, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3234, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Kanoho and Morita.

**SCRep. 453-06      Judiciary on H.B. No. 2050**

The purpose of this bill is to protect immigrants who date Hawaii residents through international matchmaking organizations (IMOs) from domestic violence and abuse, and reduce domestic violence in our community by, among other things, requiring Hawaii residents to provide criminal and marital history information, including domestic abuse orders of protection issued against the Hawaii resident, prior to receiving service from the IMO.

The Hawaii State Coalition Against Domestic Violence testified in support of this bill. Na Loio Immigrant Rights supported the bill with amendments.

Your Committee has amended this bill by:

- (1) Requiring that complete, instead of incomplete, criminal and marital records of the Hawaii resident be submitted to the IMO when requesting matchmaking services from the IMO;
- (2) Making the reference to "Hawaii resident" consistent within the bill; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2050, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2050, H.D. 2.

Signed by all members of the Committee except Representatives Morita and Souki.

**SCRep. 454-06      Water, Land, & Ocean Resources on H.B. No. 2857**

The purpose of this bill is to facilitate the protection of historic properties, aviation artifacts, and burial sites by making it a civil and administrative violation to knowingly violate the conditions of an approved mitigation plan that includes monitoring and preservation plans.

The Department of Land and Natural Resources, Office of Hawaiian Affairs, and Pae Aina Communications, LLC, testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2857 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Morita, Waters and Meyer.

**SCRep. 455-06      Water, Land, & Ocean Resources on H.B. No. 2974**

The purpose of this bill is to preserve the visual, cultural, and historical aspects of the South Kona Wilderness Area (Wilderness Area) on the island of Hawaii by extending from December 31, 2006, to December 31, 2007, the time allowed to acquire land designated as part of the Wilderness Area.

The Department of Land and Natural Resources, Office of Hawaiian Affairs, and Pa'a Pono Milolii Inc., testified in support of this bill.

The one year extension is necessary to complete the exchange transaction for the land in the Kapua area of the Wilderness Area.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2974 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morita, Waters and Meyer.

**SCRep. 456-06 Water, Land, & Ocean Resources on H.B. No. 3114**

The purpose of this bill is to provide incentives for restoring important historical structures by establishing an income tax credit for qualifying costs incurred by Hawaii residents in rehabilitating or preserving historic structures in the state.

The Department of Taxation, Honolulu Culture & Arts District Association, Historic Hawaii Foundation, and two concerned individuals supported this bill. The Department of the Attorney General, Department of Land and Natural Resources, and Tax Foundation of Hawaii submitted comments.

Your Committee supports efforts to restore our valuable historic structures. These properties reflect the growth and evolution of our unique culture and history. In addition, it is your Committee's intent to provide a "progressive" tax credit to help those who truly depend on the assistance provided under this credit to restore historical structures. The tax credit should not be targeted to those who can afford to perform the restoration without the credit.

Your Committee also notes that concerns were raised regarding limiting this tax credit to resident taxpayers. This provision may raise constitutional issues relating to the Equal Protection Clause or the Privileges and Immunities Clause. Your Committee supports future legislative efforts to address this issue as this measure goes through the legislative process.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3114 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morita, Waters and Meyer.

**SCRep. 457-06 Water, Land, & Ocean Resources on H.B. No. 2803**

The purpose of this bill is to streamline the administration of conveyance tax exemptions by eliminating the conveyance tax burden for any document or instrument conveying real property from a testamentary trust to any entity owned by the trust for the purpose of distributing ownership interests in the entity to a beneficiary under the trust.

Several individuals testified in support of this bill. The Land Use Research Foundation of Hawaii (LURF) and Tax Foundation of Hawaii provided comments.

Your Committee cursorily discussed the treatment of single member limited liability companies.

LURF raised concerns that the conveyance tax is punitive to large lot conveyances between affiliate corporate entities, adding transaction costs to the project. LURF suggested extending the conveyance tax exemption to transactions between affiliate corporate entities.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2803 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morita, Waters and Meyer.

**SCRep. 458-06 Water, Land, & Ocean Resources on H.B. No. 1929**

The purpose of this bill is to provide for much-needed repair and maintenance of Hawaii's small boat harbors by depositing into the Boating Special Fund (Special Fund), 10 percent of all general excise tax (GET) revenue realized from all permittees whose vessels are used for commercial activities carried out in small boat harbors.

Frogman Charters, TRILOGY, EXPEDITIONS, Lahaina Divers, Ocean Tourism Coalition, Jack's Diving Locker, Ala Wai Marina Community Association, Hawaii Boaters Political Action Association, and numerous concerned individuals supported this bill. The Department of Land and Natural Resources and the Department of Taxation (DOTAX) opposed this measure. The Department of Budget and Finance (B&F) and Tax Foundation of Hawaii submitted comments.

Your Committee notes that although there are actions to increase the moorage fees at the state's small boat harbors, the income to be generated will likely still be woefully inadequate to address the current backlog of at least \$250,000,000 in repair and maintenance (R&M) and capital improvement projects (CIP). In fact, there was discussion concerning the possibility of increasing the percentage of GET revenues deposited into the Special Fund to at least 25 percent, if not more.

Your Committee is also aware of the concerns raised by several state departments. B&F, for example, submitted testimony citing the increased expenses that will be incurred by DOTAX in developing new amended tax forms and in making computer-related adjustments. B&F also indicated that it was more appropriate for the Special Fund to meet needs by generating its own revenues through its fee structure instead of diverting GET revenues into the Special Fund.

Your Committee recognizes that, in principle, it may not be appropriate or fair that boaters, as a special user group, be subsidized by the general public through general fund receipts. However, in reality, there is little practical difference in terms of actual results between:

- (1) Depositing GET revenues derived from boating into the general fund and then subsequently appropriating general funds for boating R&M and CIP; and

- (2) Allocating the same amount of GET revenues directly into the Special Fund to be used for R&M of boating facilities.

In fact, your Committee believes that the latter approach may be more acceptable to the general public as a means of funding critical R&M of our boating facilities since it directly ties GET revenue derived from boating to R&M of boating facilities.

In light of the concerns raised regarding this bill, your Committee has amended this bill by:

- (1) Changing the percentage of GET revenues to be deposited into the Special Fund to an unspecified amount to encourage further discussion;
- (2) Repealing the provisions of this bill on June 30, 2011; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1929, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1929, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Morita and Meyer.

**SCRep. 459-06 Water, Land, & Ocean Resources on H.B. No. 2396**

The purpose of this bill is to improve the scope and quality of forest reserve management and stewardship activities provided by the Department of Land and Natural Resources (DLNR) for the public benefit by:

- (1) Placing any moneys accrued from previously excluded sources, including fines and penalties into the Forest Stewardship Fund (Stewardship Fund); and
- (2) Specifying that moneys in the Stewardship Fund may also be used to manage the forest reserve system.

DLNR, The Nature Conservancy of Hawai'i, and Hawai'i Forest Industry Association testified in support of this bill. Sierra Club, Hawai'i Chapter, opposed this measure.

The current statute providing sources of funding for the Stewardship Fund excludes income from funds other than the income from the harvest and sale of certain forest products and tree seedlings, requiring those funds to be transferred to the general fund. Your Committee believes that by deleting confusing and contradictory language requiring this depository of "other moneys accrued from forest reserves or the products thereof," and requiring depository of these "other moneys" into the Stewardship Fund, DLNR will be better equipped to properly manage our state's treasured forest reserves.

Your Committee acknowledges and DLNR satisfactorily responded to concerns and caution expressed by the Sierra Club that the self-serving incentives of added revenues provided by this bill could create unintended consequences for the State's forest reserves. Your Committee emphasizes that the intent of this bill is not to create an incentive for ecotourism, bioprospecting, and forest harvesting activities, but to increase the revenues in the Stewardship Fund to improve management of the forest reserves.

Your Committee has amended this bill by:

- (1) Inserting a findings and purpose section; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2396, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2396, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Evans, Waters and Meyer.

**SCRep. 460-06 Water, Land, & Ocean Resources on H.B. No. 2926**

The purpose of this bill is to expand the boat inspection requirements that an owner must fulfill to be permitted to moor in a state small boat harbor. Specifically, this bill requires the owner to submit not only a marine surveyor's inspection but also a vessel inspection report completed by an inspector approved by the Department of Land and Natural Resources (DLNR).

DLNR, Maui Dive Shop/Alii Nui Charter, Lahaina Divers, Inc., Maui-Molokai Sea Cruises, and an individual supported this bill with amendments. The Hawaii Boaters Political Action Association, Ala Wai Marina Community Association, and an individual opposed this measure. Ocean Tourism Coalition offered comments.

Your Committee has amended this bill by:

- (1) Clarifying that only one of the following forms of inspection is required:
  - (A) A marine surveyor's inspection no more than two years old; or
  - (B) A vessel inspection report no more than two years old completed by the United States Coast Guard or an inspector approved by DLNR;

and



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

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2926, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2926, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 461-06 Water, Land, & Ocean Resources on H.B. No. 2709**

The purpose of this bill is to improve the operations of the Bureau of Conveyances by raising the maximum amount that can be kept in the Bureau of Conveyances Special Fund to purchase additional equipment and create additional staff positions.

The Department of Land and Natural Resources provided comments on this bill.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2709 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morita, Waters and Meyer.

**SCRep. 462-06 Water, Land, & Ocean Resources on H.B. No. 2867**

The purpose of this bill is to help preserve Hawaii's cultural and historic heritage by appropriating funds for the Department of Land and Natural Resources (DLNR) to hire a full-time employee or fund contracts to:

- (1) Work collaboratively with ethnic civic clubs throughout the state to develop an inventory of cultural or historic sites on public lands that are eligible for inclusion on various cultural or historic registers; and
- (2) Conduct an inventory of state facilities to determine if any facility should be included on the various cultural or historic registers.

DLNR submitted comments on this bill.

Your Committee recognizes the importance of preserving our cultural and historic sites. Testimony submitted by DLNR indicated that it has developed internal plans to carry out similar inventories. It is the intent of your Committee to pass this measure out to ensure continued legislative discussion on this important matter.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2867 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morita, Waters and Meyer.

**SCRep. 463-06 Water, Land, & Ocean Resources on H.B. No. 3030**

The purpose of this bill is to:

- (1) Adjust the ceiling of the Bureau of Conveyances Special Fund (Special Fund); and
- (2) Use moneys in the Special Fund to add nine full-time staff positions to the Bureau of Conveyances.

The Board of Land and Natural Resources offered comments. The Hawaii Association of Realtors opposed this measure.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3030 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morita, Waters and Meyer.

**SCRep. 464-06 Water, Land, & Ocean Resources on H.B. No. 3106**

The purpose of this bill is to support Hawaii's unique culture, history, architecture, and artifacts by establishing "Historic Preservation Awareness Day" on the first Monday in May.

The Department of Land and Natural Resources and a concerned individual supported this bill.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3106 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Morita, Waters and Meyer.

**SCRep. 465-06 Water, Land, & Ocean Resources on H.B. No. 2858**

The purpose of this bill is to protect natural, historical, and cultural resources by establishing an appeals process for individuals and groups to attain confidential information of cave location or resources.

The Office of Hawaiian Affairs (OHA) testified in support of this bill. The Department of Land and Natural Resources (DLNR) supported this bill with an amendment.

In light of the recent controversy over the disclosure of caves containing historical artifacts, your Committee recognizes the need for legislation that protects cultural resources in a manner that is sensitive to all involved parties. Your Committee notes that DLNR currently has no authority to disseminate confidential information to appropriate organizations that might assist with disposition of sensitive cultural resources.

Accordingly, your Committee has amended this bill by:

- (1) Removing the confidentiality appeals process;
- (2) Replacing the appeals process with a provision that allows DLNR to inform OHA, the appropriate Island Burial Council, and recognized descendants of burials located within the land parcel on which the cave is located of the cave location and of sensitive resources; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2858, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2858, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Morita, Waters and Meyer.

**SCRep. 466-06 Water, Land, & Ocean Resources on H.B. No. 3241**

The purpose of this bill is to protect the public's right to the state's limited shoreline by prohibiting private owners of oceanfront property from claiming accreted land that resulted from the owner planting and maintaining, or otherwise encouraging vegetation on the seaward boundary of the property.

The Department of Land and Natural Resources and several concerned individuals supported this bill. The plaintiffs in *Maunaloa Bay Beach Ohana 28 v. State of Hawaii*, Civil No. 05-1-0904-05 (*Maunaloa Bay*), and two concerned individuals supported this bill with amendments. The Department of the Attorney General and a concerned individual submitted comments.

Your Committee discussed the necessity of imposing the additional condition that the accreted land cannot be the result of encouraging vegetation on the seaward boundary of the property. Before any decision on the necessity of the additional condition could be reached, the underlying controversy of the disposition of accreted land took center stage.

Act 73, Session Laws of Hawaii 2003 (Act 73), declared that the accreted portion of oceanfront property shall be state lands. Act 73 also prohibited private oceanfront landowners from registering or quieting title to accreted lands, except those accreted lands that were lost by erosion and subsequently restored by accretion.

Prior to Act 73, Hawaii oceanfront property owners gained title to accreted lands by registering with the Land Court or by a quiet title action. *Maunaloa Bay* is pending in the First Circuit Court, State of Hawaii, wherein plaintiff oceanfront owners are alleging that Act 73 effected a taking of their pre-existing rights to claim accreted land. They also claim that the Act does not provide for just compensation and is, therefore, unconstitutional and void.

Your Committee is mindful of the stakes involved for public users of our shorelines as well as for private oceanfront property owners in the proper disposition of accreted lands in a state with a growing population and a finite seashore. Furthermore, any attempts to resolve or influence a pending lawsuit through the legislative process should not be taken lightly, especially given the limited knowledge of the lawsuit possessed by your Committee.

Accordingly, your Committee has amended this bill by changing its effective date to July 1, 2020, to encourage meaningful discussion and resolution of this contentious issue. Technical, nonsubstantive amendments have also been made for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3241, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3241, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 467-06 Human Services/Health on H.B. No. 2223**

The purpose of this bill is to assist adult residential care home operators with the increased costs of care by:

- (1) Increasing the level of care payments from \$521.90 to \$621.90 for a type I facility, and from \$629.90 to \$729.90 for a type II facility; and
- (2) Appropriating funds for the payment increase.

The Hawaii Coalition of Care Home Administrators and many concerned individuals testified in support of this bill. The Department of Human Services offered comments.

Your Committees heard several measures relating to care homes and are supportive of the caregivers who put forth so much of their time and effort to care for others. Your Committee heard and amended H.B. No. 1821 to include monetary issues relating to care homes, and stated its intent to use this measure as a vehicle for other issues relating to care homes, including the capacity for different types of homes.

Accordingly, your Committees have amended this bill by:

- (1) Deleting the provisions providing an increase in level of care payments;
- (2) Deleting the appropriation for the payment increase;
- (3) Amending county provisions to allow for an increase in the maximum capacity for adult family boarding homes and care homes from five to six non-family members, and increasing from two to three, the number of those non-family members that may be incapable of self-preservation;
- (4) Increasing the capacity for adult residential care homes as follows:
  - (a) From five to six unrelated persons for type I homes; and
  - (b) From six to seven persons for type II homes;
- (5) Increasing the capacity for expanded adult residential care homes as follows:
  - (a) From five to six residents and from two to three nursing facility level residents for type I homes; and
  - (b) From six to seven residents for type II homes;
- (6) Increasing the capacity for community care foster family homes from two to three adults, and of those adults, increasing the number of Medicaid recipients from one to two;
- (7) Requiring adult residential care homes to reserve at least one bed for Medicaid patients;
- (8) Making permanent the home- and community-based case management agencies and community care foster family homes law; and
- (9) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2223, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2223, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 468-06 Human Services on H.B. No. 2257**

The purpose of this bill is to promote accountability and openness in government by requiring:

- (1) Federal funds received under the Child Care Development Block Grant Program (Program) to be subject to appropriation by the Legislature;
- (2) The Legislature to appropriate funds before the Department of Human Services (DHS) can expend the funds; and
- (3) DHS to submit a report to the Legislature explaining how the funds will be expended, a plan of desired outcomes from the expenditure of the funds, and the effectiveness of the plan.

DHS offered comments. The Department of Budget and Finance opposed this bill.

Your Committee has amended this bill by:

- (1) Allowing the Governor to authorize DHS to accept other federal funds relating to the Program when the Legislature is not in session;
- (2) Changing the effective date to July 1, 2009, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2257, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2257, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Arakaki.

**SCRep. 469-06 Human Services on H.B. No. 2258**

The purpose of this bill is to promote accountability and openness in government by requiring:

- (1) Funds received under the Temporary Assistance for Needy Families (TANF) program to be subject to appropriation by the Legislature;
- (2) The Legislature to appropriate TANF funds before they can be expended; and
- (3) Annual reports from the Department of Human Services (DHS) that include how the funds will be expended, a plan of desired outcomes from the expenditure of the funds, and an evaluation of the effectiveness of the plan and level of success in reaching the desired outcomes.

Blueprint for Change testified in support of this bill. DHS supported the intent of this measure. The Department of Budget and Finance opposed this bill.

Your Committee has amended this bill by:

- (1) Broadening the scope of the report to the Legislature by including the progress and outcomes of programs funded with TANF moneys from the previous two years;
- (2) Changing the effective date to July 1, 2099, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2258, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2258, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Arakaki.

**SCRep. 470-06 Education/Labor & Public Employment on H.B. No. 3237**

The purpose of this bill is to increase access to early learning programs for all children, increase participation in these programs by promoting their value, and improve the quality of programs and practitioners by:

- (1) Creating an early learning authority to oversee the State's early childhood learning system;
- (2) Making more early childhood learning programs and facilities available by establishing financial incentives for their creation;
- (3) Improving the quality of early childhood learning programs and practitioners by establishing financial incentives;
- (4) Attracting and retaining quality practitioners in the early learning system by ensuring adequate compensation; and
- (5) Guaranteeing the availability of early learning opportunities to all children by providing subsidies for all four-year-olds.

Good Beginnings Alliance, the Hawaii Association of Independent Schools, Calvary Episcopal Preschool, American Academy of Pediatrics, Hawaii Chapter, Kamaaina Kids, Inc., Blueprint for Change, Kauai Good Beginnings, Hawaii Educational Policy Center, Good Beginnings Community Council – Maui, Waianae Coast Early Childhood Services, a member of the Temporary Early Childhood Education Task Force, and several concerned individuals testified in support of this measure. The Department of Education, Department of Human Services, Alu Like, Inc., The League of Women Voters of Hawaii, Parents and Children Together, Hawaii Association for the Education of Young Children, Early Childhood Educational and Management Service, Head Start Association of Hawaii, a member of the Temporary Early Childhood Education Task Force, and a concerned individual supported the intent of this measure.

Upon further consideration, your Committees have amended this bill by replacing its entire contents and inserting language that:

- (1) Establishes the Early Learning Working Group (Working Group), composed of community members and representatives from various agencies, to:
  - (a) Develop plans and timelines for an early learning system that maximizes public and private resources to provide early learning opportunities for all children in the state who are four years old on January 1 of the school year; and
  - (b) Make other recommendations for the early learning system;
- (2) Requires the Working Group to submit reports of its progress, findings, and recommendations, including any proposed legislation, to the Governor and Legislature; and
- (3) Appropriates funds for the operations of the Working Group.

This bill was also amended by inserting an effective date of July 1, 2006, and a sunset date of July 1, 2008.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3237, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3237, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Harbin, Ito, Kahikina, M. Oshiro, Souki, Waters and Ching.

**SCRep. 471-06 Energy & Environmental Protection/Economic Development & Business Concerns on H.B. No. 2863**

The purpose of this measure is to establish the Natural Energy Laboratory of Hawaii Authority Innovation Corporation (Corporation).

The Natural Energy Laboratory of Hawaii Authority supported this measure. The Office of Information Practices submitted comments regarding this measure.

Your Committees have amended this measure by:

- (1) Clarifying that the Corporation established by this measure is required to keep trade secrets and confidential business information confidential to the extent permitted by the Uniform Information Practices Act;
- (2) Clarifying that the board of the Corporation may hold executive sessions for the sole purpose of discussing proprietary information; provided that the executive session shall be limited to discussion or consideration of trade secrets or confidential or proprietary commercial or financial information to the extent that the trade secrets or information fall within the exception to public disclosure under section 92F-13, Hawaii Revised Statutes; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Economic Development & Business Concerns that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2863, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2863, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Harbin, Herkes, Kanoho, Schatz and Ching.

**SCRep. 472-06 Labor & Public Employment on H.B. No. 2311**

The purpose of this bill is to enable the Employees' Retirement System (ERS) to maintain its tax-qualified status by:

- (1) Prohibiting members from receiving in-service refunds of pre-tax contributions while employed by the State or counties; and
- (2) Prohibiting members from making additional pre-tax contributions once the member has received a refund of pre-tax contributions while still employed by the State or counties.

ERS, the Department of Budget and Finance, and Hawaii State Teachers Association testified in support of this bill.

As the demand for long-term financial security increases, your Committee finds that it is critical to assist ERS in its attempts to function effectively and properly for the benefit of all members and their families.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2311 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 473-06 Labor & Public Employment on H.B. No. 2693**

The purpose of this bill is assist the Employees Retirement System (ERS) in paying down its unfunded liability by:

- (1) Appropriating \$250,000,000 to the ERS; and
- (2) Establishing a mechanism to reserve for and appropriate to the ERS 20 percent of the total amount of any state surplus if the state general fund balance at the end of fiscal year exceeds five percent of general fund revenues for the fiscal year.

The Hawaii State Teachers Association testified in support of this bill. The Employees' Retirement System and Department of Budget and Finance submitted comments.

Difficult economic times and the need to fund essential state programs have added to the unfunded liability of the ERS. Currently, it is estimated that the ERS would need \$3,900,000,000 to fully fund the system's pension liability. According to the ERS, if benefits and present interest and investment rates were to remain static, it would be approximately 25 years before the ERS realized a fully-funded pension liability.

Your Committee finds that an infusion of \$250,000,000, as well as establishing a mechanism to provide 20 percent of the state surplus, if the surplus exceeds five percent of general fund revenues for the fiscal year, is sound fiscal planning and will result in a decrease of the unfunded liability of the ERS.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2693 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 474-06 Labor & Public Employment on H.B. No. 2697**

The purpose of this bill is to provide parity to all qualified elective officers by allowing any elective officer who attains the age of 65 to retire and receive a service retirement allowance while continuing to fill their elective position.

The Chair of the City Council of the City and County of Honolulu, Chair of the Hawaii County Council, Hawaii Government Employees Association, Hawaii State Teachers Association, and a concerned individual testified in support of this bill. The Department of Budget and Finance did not support this measure. The Employees Retirement System submitted comments.

Your Committee finds that only members of the Legislature are currently eligible to retire and receive a pension while continuing to fill elective office if they reach the age of 65. This bill would extend this benefit to all elective officers, including the Governor, Lieutenant Governor, county mayors, county council members, trustees of the Office of Hawaiian Affairs, and the Prosecuting Attorney.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2697 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 475-06 Labor & Public Employment on H.B. No. 2641**

The purpose of this bill is to expand and improve fair labor practices to all projects in which the government is involved by:

- (1) Requiring a construction project owner (owner) who undertakes a construction project for structures to be used by the State or a county to sign a lease agreement that certifies compliance with the State's Public Works Prevailing Wage Law (Public Works Law);
- (2) Requiring the owner to submit copies of the lease agreement to the Department of Labor and Industrial Relations (DLIR);
- (3) Requiring the owner to submit certified payrolls to the Department of Accounting and General Services (DAGS); and
- (4) Defining an "indirect public work project".

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

Currently, the determination of prevailing wages is the responsibility of the Director of DLIR with a formula and guidelines for such determination established in the administrative rules. However, your Committee notes that questions regarding the necessity of paying prevailing wages were raised when government uses indirect methods for development and construction purposes, such as construction and development of structures to be used by the State but built by the private sector in return for lease agreements. Your Committee finds that prevailing wage laws should be applicable to these indirect public works projects.

Your Committee has amended this measure by:

- (1) Clarifying that an owner may sign an agreement, other than a lease, that certifies compliance with the State's Public Works Law;
- (2) Clarifying that an "indirect public works project" also means any project, including development of any housing pursuant to section 46-15 or chapter 201G, Hawaii Revised Statutes, and development, construction, renovation, and maintenance related to refurbishment of any real or personal property that will have received a government benefit;
- (3) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2641, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2641, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 476-06 Labor & Public Employment on H.B. No. 2947**

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

- (1) Conforming state statute to federal law to allow the use of Reed Act funds distributed in 2002 to provide unemployment insurance (UI) benefits and for the administration of the State's UI system, including its public employment offices;
- (2) Allocating \$20,000,000 of the \$31,000,000 in Reed Act funds to:
  - (A) Plan, develop, and implement a computer system for workforce development activities of the counties;
  - (B) Provide additional funding to the county workforce investment boards for, among other things, employer outreach services, labor force pool expansion, and capacity building; and
  - (C) Provide funds to Oahu's workforce investment board.

ILWU Local 142 testified in support of this bill. The Office of Economic Development of the County of Kauai, Workforce Development Council, and Hawaii County Workforce Investment Board supported the intent of this measure. The Department of Labor and Industrial Relations (DLIR) opposed this bill.

As a result of the Balanced Budget Act of 1997, \$31,000,000 was deposited into the State's UI trust fund account. However, these funds were not available for workforce development because federal restrictions require that these funds be strictly used for UI benefit payments. Recent amendments to federal law have expanded the means by which these funds can now be used to include programs geared toward workforce development.

Your Committee finds that efforts to improve the skills of Hawaii's workforce are ongoing and that the additional resources provided through the use of Reed Act funds will go a long way toward developing and maintaining a highly skilled workforce. This is especially important as Hawaii is currently experiencing, and will continue to experience for the foreseeable future, strong economic growth and development.

The Director of DLIR requested your Committee to hear and move the Administration's bill relating to the use of Reed Act funds (H.B. No. 2391). However, your Committee finds that the Administration's legislation does not go far enough in meeting the workforce development needs of our four counties.

Last year the Governor did not properly veto S.B. No. 813 and this legislation became Act 249, Session Laws of Hawaii 2005. This law appropriated approximately double what the Administration wanted to appropriate to the counties for workforce development. Despite the severability language contained in the law, the Administration has refused to release any of this money to the counties.

To ensure that the counties will be able to develop a skilled workforce, your Committee heard this bill, which first and foremost repeals Act 249. This avoids any further confusion and further legal and constitutional problems created by the Governor's attempt to veto Act 249 and her resulting refusal to release the funds. Your Committee finds that the funds are needed for workforce development and through this bill is appropriating almost double the amount of funds to the counties. This level of funding is critical to the counties if, we are to effectively address Hawaii's workforce development issues.

However, your Committee understands the concerns and problems raised by requiring the withholding of funds from DLIR until all funds from DLIR are released to the counties. Accordingly, your Committee has amended this measure by:

- (1) Deleting language that stipulated that no funds appropriated to DLIR for use by DLIR and the counties may be released by the Governor to DLIR until all funds appropriated by the Legislature for the benefit of the counties have been timely, fully, and completely released to the counties; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2947, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2947, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 477-06 Labor & Public Employment on H.B. No. 2951**

The purpose of this bill is to establish clear distinctions between mandatory, excluded, and permissive subjects of collective bargaining. Among other things, this bill:

- (1) Revises statutory language that prohibits an agreement between an employer and an exclusive employee representative that was inconsistent with the merit principle or the principle of equal pay;
- (2) Revises the prohibition of an agreement between an employer and an exclusive employee representative that would interfere with various rights and obligations of a public employer; and
- (3) Provides that an employer may negotiate over permissive subjects of collective bargaining, including:
  - (A) The merit principle;
  - (B) Principle of equal pay for equal work;
  - (C) Qualifications, standards for work, and the nature and content of examinations;
  - (D) Standards to maintain efficiency and productivity;
  - (E) The method and means by which government operations are to be conducted; and
  - (F) Actions as may be necessary to carry out the mission of the employer in cases of emergencies.

The Hawaii Government Employees Association supported this bill. The Department of Human Resources Development, Department of Labor and Industrial Relations, Office of Collective Bargaining, Judiciary, Department of Human Resources of the City and County of Honolulu, Department of Civil Service of the County of Hawaii, Department of Personnel Services of the County of Maui, Fire Department of the County of Hawaii, Honolulu Police Department, Maui Police Department, and Hawaii Police Department opposed this measure.

Your Committee finds that pursuant to Act 399, Session Laws of Hawaii 1988, the Legislature amended subsection 89-9(d), Hawaii Revised Statutes (HRS), to expand the scope of collective bargaining in the public sector. The amendment was intended to protect contract provisions that would otherwise be considered invalid due to a literal interpretation of what are considered to be management rights.

Under current collective bargaining agreements, provisions regarding standards, criteria, and procedures relating to employee hiring, promotions, transfer, assignment, retention, suspension, demotion, discharge, disciplinary actions, layoffs, and displacement for lack of work and other similar personnel actions are widely incorporated and utilized.

However, current language in section 89-9, HRS, that defines the scope and limits on negotiable subjects for collective bargaining purposes in the public sector is contradictory and confusing. For example, section 89-9 (a), HRS, requires public employers and exclusive

bargaining representatives to negotiate over "wages, hours, and other terms and conditions of employment." While Section 89-9 (a), HRS, establishes the duty to bargain over these items to be an "obligation" of both employer and employees, section 89-9 (d), HRS, appears to suggest otherwise.

Your Committee finds that 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. This measure attempts to clarify 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).

However, your Committee understands the concerns raised by the public employers. Accordingly, your Committee has amended this measure by:

- (1) Clarifying that negotiations over permissive subjects of collective bargaining does not preclude negotiations during collective bargaining over the procedures for and effects of assignments, transfers, promotions, demotions, layoffs, terminations, discharges, or other disciplinary actions of employees;
- (2) Changing its effective date to July 1, 2050, to facilitate further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2951, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2951, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shimabukuro.

#### **SCRep. 478-06 Labor & Public Employment on H.B. No. 2953**

The purpose of this bill is to ensure that all parties involved in public works contracts comply with Hawaii's wage and hour laws by requiring the chief procurement officer (CPO) to notify every governmental contracting agency of requirements and applicability of Hawaii's prevailing wage law for public works contracts in excess of \$2,000, including emergency contracts and those funded by special purpose revenue bonds, purchase orders, and vouchers.

The State Procurement Office, Department of Labor and Industrial Relations, and Associated Builders and Contractors, Inc., opposed this measure. The Department of Accounting and General Services offered comments.

The Attorney General recently issued an opinion that public works projects include projects funded by special purpose revenue bonds. This has caused confusion among state departments and contracting organizations. Your Committee believes that making the CPO responsible for informing every governmental contracting agency will ensure compliance with wage and hour laws.

Your Committee has amended this bill by:

- (1) Changing the effective date to January 1, 2050, to encourage further discussion on the provisions of this bill; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2953, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2953, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shimabukuro.  
(Representative Stevens voted no.)

#### **SCRep. 479-06 Labor & Public Employment on H.B. No. 3089**

The purpose of this bill is to address costs of other post employment benefits other than pensions, such as health care costs, that under the new standards established by the Government Accounting Standards Board (GASB) Statements 43 and 45, need to be included in employer financial statements.

Specifically, this bill:

- (1) Establishes a Public Employers' Trust Fund (PETF) and a Board of Trustees to offset costs incurred by the State to fund public employee health benefit costs;
- (2) Appropriates monies to the PETF; and
- (3) Prohibits the tapping of monies in the PETF until the PETF's principal reaches \$1,000,000,000.

The Department of Accounting and General Services opposed this bill. The Department of Budget and Finance, Hawaii Employer-Union Health Benefits Trust Fund, and Hawaii Government Employees Association submitted comments.

The state's audited financial report must meet standards set forth by GASB. Your Committee finds that new standards established by GASB Statements 43 and 45 will have a profound effect on the State's financial statements.



However, while the PETF is meant to address the costs of other post employment benefits that will soon be necessary to include in an employer's financial statement, your Committee has been informed that the PETF may not meet the standards established by GASB. However, the importance of this issue warrants further discussion.

Accordingly, your Committee has amended this measure by changing its effective date to July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3089, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3089, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 480-06 Labor & Public Employment on H.B. No. 3018**

The purpose of this bill is to restore trust and integrity to government by providing for sanctions against a public employee who embezzles, steals, or otherwise unlawfully takes, receives, retains, or fails to properly account for any property or funds belonging to the State, county, or any government agency. Specifically, this bill requires that:

- (1) A judgment in an amount equal to four times the amount of funds or value of the property that was embezzled, stolen, or otherwise unlawfully taken, received, retained, or not properly accounted for be entered against a defendant who is convicted or who pleads guilty or no contest; and
- (2) The judgment be paid within five years through garnishment of the defendant's pension.

The Department of the Prosecuting Attorney of the City and County of Honolulu testified in support of this bill. The Department of Human Resources Development supported the intent of this measure. The Employees' Retirement System (ERS) and Department of the Attorney General submitted comments.

Your Committee finds that public employees who are entrusted by the public to perform their duties faithfully and honestly need to be held to a high standard of ethical conduct. Breaching this trust is a serious offense. Hawaii has witnessed several high profile cases of government employees who have abused their positions, by stealing property and funds. Such behavior is unacceptable, and this measure imposes serious consequences for such actions.

However, your Committee notes that the amount payable to the defendant by ERS may be insufficient to pay the judgment within five years, especially if the judgment is large. Furthermore, federal law contains restrictions on the amount of any earnings that may be garnished. Accordingly, your Committee has amended this measure by:

- (1) Stipulating that the garnishee withhold an amount not to exceed 30 times the federal minimum hourly wage or 25 percent of the defendant's disposable income, whichever is less, that is sufficient to ensure that judgment against the defendant is fully paid;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3018, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3018, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 481-06 Human Services on H.B. No. 2052**

The purpose of this bill is to provide additional protection to foster children through the establishment of a foster children's bill of rights that requires foster children to be treated fairly, provided with a certain amount of privacy, and reasonably accommodated with regard to the child's culture.

The Legal Aid Society of Hawaii, Hawaii Foster Youth Coalition, Hawaii Youth Services Network, and numerous concerned individuals testified in support of this bill. The Department of Human Services (DHS) and Office of Hawaiian Affairs supported the intent of this measure.

Your Committee heard a similar measure, H.B. No. 2077, that also established a foster children's bill of rights. Your Committee heard compelling testimony from foster children who expressed a need for fair treatment and a reasonable amount of privacy. This measure and H.B. No. 2077 both contained elements worthy of further discussion.

Accordingly, your Committee has amended this bill by:

- (1) Removing some of the provisions that contain rights provided for under the United States Constitution, State Constitution, or DHS rules;
- (2) Inserting rights relating to the competency of foster care providers;
- (3) Establishing provisions relating to foster care providers to:
  - (A) Maintain confidentiality with regard to certain information pertaining to the foster child;

- (B) Be actively involved in the child's pending child welfare case; and
- (C) Receive reasonable notice before a foster child is removed from the provider's care, except in cases when the child is threatened with harm;
- (4) Providing the child with rights relating to:
  - (A) The adoption of the child;
  - (B) Making contact with agencies and officials related to the child's foster care;
  - (C) Maintaining a personal bank account and managing personal income;
  - (D) Attending school and participating in extracurricular activities;
  - (E) A transitioning plan for the child's aging out of the foster care system; and
  - (F) The stability of foster home placements, when practicable;
- (5) Providing rights to early identification of family members interested in serving as foster care providers or having permanent custody of the child; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2052, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2052, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 482-06 Housing/Water, Land, & Ocean Resources on H.B. No. 2963**

The purpose of this bill is to promote near-term development of affordable housing statewide by:

- (1) Placing a moratorium on certain provisions of the Hawaii Housing Finance and Development Administration (HHFDA) for eight years; and
- (2) Establishing temporary provisions providing HHFDA with certain powers to expedite housing development.

The Hawaiian Island Development Co., Inc., supported the intent of this bill. The Mayor of Maui County, several members of the Maui County Council, and the Department of Planning and Permitting of the City and County of Honolulu opposed this measure. The Housing and Community Development Corporation of Hawaii offered comments.

Your Committees recognize that this measure takes drastic steps to spur the near-term development of affordable housing. Several committee members expressed concerns relating to the power of eminent domain and usurping power from the counties.

Your Committees also note the findings of the Joint Legislative Task Force on Housing and Homelessness that the counties should be responsible for the task of ensuring that affordable housing is built to the needs of each individual county. While some of the counties have been very innovative in providing housing for households with low- to moderate-income, these effects are still not enough, particularly in the City and County of Honolulu.

While this measure does take dramatic steps, your Committees agree that it is worthy of further discussion to ensure that the housing needs of Hawaii's people are met.

As affirmed by the records of votes of the members of your Committees on Housing and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2963 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Schatz, Sonson and Meyer.

**SCRep. 483-06 Housing on H.B. No. 2986**

The purpose of this bill is to promote the development of affordable housing by appropriating funds for the Hawaii Housing Finance and Development Administration to conduct a study to determine the feasibility of using state land at Puunene Airport on Maui for affordable housing.

The Housing and Community Development Corporation of Hawaii and Office of Hawaiian Affairs testified in support of this bill. The Department of Accounting and General Services did not support this measure. The Board of Land and Natural Resources offered comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2986, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2986, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 484-06 Housing on H.B. No. 2994**

The purpose of this bill is to preserve affordable rental housing units by:

- (1) Requiring the Hawaii Housing Finance and Development Administration (HHFDA) to initiate negotiations with Kamehameha Schools to acquire the Kulana Nani property in Kaneohe, Oahu;
- (2) Requiring that at least 50 percent of the units be retained in perpetuity as affordable housing for households at or below 140 percent of the median family income;
- (3) Appropriating funds for the acquisition of this property; and
- (4) Requiring HHFDA to exercise its power of eminent domain if an agreement to acquire the property cannot be reached by June 30, 2007.

EAH, the City and County of Honolulu Department of Community Services, the president of the Kulana Nani Resident Association, and several concerned individuals supported the intent of this bill. The Housing and Community Development Corporation of Hawaii and Kamehameha Schools offered comments.

Your Committee is concerned about the preservation of current affordable rental housing units, as several projects on Oahu have recently been placed on the market. Many members of the public expressed concerns that there is no place for many of these residents to go that are as affordable, and there is a fear that homelessness may increase if these projects are not retained as affordable rental units.

Your Committee also heard compelling testimony that 100 percent of the units should be retained as affordable, and that the current income requirements are lower than 140 percent of the median family income. Members of the Committee also expressed concern that a percentage of units in Kulana Nani should be allocated toward households using Section 8 vouchers.

Accordingly, your Committee has amended this bill by:

- (1) Requiring that 100 percent of the units be retained in perpetuity as affordable units to households at or below the current income restrictions;
- (2) Appropriating \$6,800,000 for land acquisition of the Kulana Nani property; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2994, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2994, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 485-06 Water, Land, & Ocean Resources on H.B. No. 1931**

The purpose of this bill is to provide funding to improve, repair, and maintain the state's small boat harbors by increasing moorage fees beginning with a 50 percent increase on July 1, 2006, and ten percent thereafter on July 1 for the years 2007, 2008, 2009, and 2010; and by administrative rules after July 1, 2010.

The Hawaii Government Employees Association AFSCME, Local 152, AFL-CIO, and several individuals testified in support of this bill. The Department of Land and Natural Resources (DLNR), Ala Wai Marina Community Association, Hawaii Boaters Political Action Association, Norwegian Cruise Line America, Makai Society, and several individuals opposed this measure. The Ocean Tourism Coalition offered comments.

Currently, mooring fees are established by administrative rules with the last such increase nearly ten years ago in April, 1995. The state's small boat harbors have fallen into serious disrepair primarily because moorage fee revenues have been woefully inadequate to finance major repair and maintenance works (R&M) as well as direly needed capital improvement projects (CIP).

For at least the last four years, your Committee approved bills to statutorily increase moorage fees but action was subsequently deferred in the legislative process because of the DLNR's insistence that moorage fees would be administratively increased. As many of the state's small boat harbors are an embarrassment and pose serious safety and liability risks, prompt remedial action is urgently needed.

This bill provides the option and ability to immediately proceed with required R&M as well as CIP projects should moorage fees not be timely increased by administrative rules.

Your Committee has amended this bill by:

- (1) Appropriating funds to the Boating Special Fund (Fund) as reimbursement for moneys taken from the Fund in prior fiscal years;
- (2) Changing the effective date to July 1, 2006; and

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

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1931, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1931, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Morita and Meyer.  
(Representatives Harbin and Thielen voted no.)

**SCRep. 486-06 Water, Land, & Ocean Resources/Housing on H.B. No. 2666**

The purpose of this bill is to reduce property taxes for Hawaii's taxpayers and assist the homeless by:

- (1) Establishing the Homeless Assistance Special Fund (Fund);
- (2) Increasing the conveyance tax for multiple sales of the same property within a two-year period; and
- (3) Allocating revenues to the Fund from conveyance taxes on realty sold multiple times within a two-year period.

The Affordable Housing and Homeless Alliance and several concerned individuals testified in support of this bill. The Nature Conservancy of Hawaii supported the intent of this measure. The Department of Budget and Finance and Hawaii Association of Realtors opposed this measure. The Housing and Community Development Corporation of Hawaii, Department of Taxation, and the Tax Foundation of Hawaii offered comments.

Your Committees have amended this bill by:

- (1) For a sale of property that is not taxed as a multiple sale within a two-year period, specifying that unless agreed otherwise by the buyer and seller, the buyer of real property is responsible for the tax assessed on condominiums or single family dwellings that are sold;
- (2) Exempting individuals eligible for a home exemption and active duty military members from the conveyance tax assessment on multiple sales of property within a two-year period;
- (3) Removing the reference to rulemaking by the Department of Taxation;
- (4) Changing the effective date to January 1, 2007; and
- (5) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2666, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2666, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Schatz.  
(Representatives Green, Meyer and Pine voted no.)

**SCRep. 487-06 Water, Land, & Ocean Resources/Housing on H.B. No. 3149**

The purpose of this bill is to provide for the proper maintenance of the remnant parcel abutting the Inoaole Stream that is currently under the jurisdiction of the Hawaii Housing Finance and Development Administration (HHFDA) by:

- (1) Transferring control and custody from HHFDA to the Department of Land and Natural Resources (DLNR) of the remnant lot abutting the Hale Aupuni subdivision in Waimanalo; and
- (2) Requiring DLNR to use best management practices in the maintenance of the riparian area of the remnant lot.

The Housing and Community Development Corporation of Hawaii testified in support of this bill. DLNR opposed this measure.

Your Committees find that the two agencies being considered to maintain the remnant lot discussed in this measure have different view points as to who is most suitable to have jurisdiction over the property. Your Committees encourage further discussion to determine which agency is most appropriate.

Accordingly, your Committees have amended this bill by:

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

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3149, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3149, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Schatz.

**SCRep. 488-06 Energy & Environmental Protection on H.B. No. 2003**

The purpose of this bill is to protect residents of the Puna district from the health hazards of "vog," a visible haze produced by a reaction of the gases emitted from Kilauea volcano and other chemicals in the air, by appropriating \$160,000 to the Department of Health to install two additional vog monitoring stations, at Mountain View and Pahala, on the island of Hawaii.

The Maku'u Farmers Association and a concerned individual testified in support of this bill. The Department of Health (DOH) supported the intent of the measure.

DOH raised a concern about the measure specifically designating Mountain View and Pahala as the sites for the monitoring stations, as available sites and lease agreements have to be negotiated. The named sites were suggested locations with the exact siting yet to be determined. Therefore, your Committee respectfully requests that the subsequent committee consider an amendment to allow the DOH flexibility in the siting of the two additional vog monitoring stations.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2003 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Harbin and Kanoho.

**SCRep. 489-06 Energy & Environmental Protection on H.B. No. 2381**

The purpose of this bill is to streamline the approval of individual wastewater systems in home construction by:

- (1) Allowing the Department of Health (DOH) to enter into agreements with any county to administer part or all of DOH's rules on the design, construction, and operation of sewage and treatment facilities; and
- (2) Requiring fees collected by a county that has entered into an agreement with DOH to be deposited to the credit of the county, to the extent specified in the agreement.

DOH supported this bill.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2381 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Harbin and Kanoho.  
(Representative Waters voted no.)

**SCRep. 490-06 Energy & Environmental Protection/Consumer Protection & Commerce/Judiciary on H.B. No. 3115**

The purpose of this measure is to further the development of an integrated energy strategy for the State.

More specifically, this measure:

- (1) Establishes the petroleum industry monitoring, analysis, and reporting special fund;
- (2) Requires the Public Utilities Commission to develop and maintain the petroleum industry monitoring, analysis, and reporting system;
- (3) Redelineates the types of information that the petroleum industry must provide to the Public Utilities Commission;
- (4) Makes appropriations out of the petroleum industry monitoring, analysis, and reporting special fund to the Public Utilities Commission to:
  - (A) Establish the petroleum industry monitoring, analysis, and reporting program; and
  - (B) Implement and maintain the petroleum price control program established by chapter 486H, Hawaii Revised Statutes; and
- (5) Make any misrepresentations or unlawful profiteering within the petroleum industry an unfair trade practice.

In reviewing this measure, your Committees noted that the daily dynamics of the gasoline market do not allow for the Legislature to take timely action to make necessary course corrections in the implementation of chapter 486H. It was for this reason that Public Utilities Commission (Commission) was given substantial latitude in the implementation of chapter 486H, Hawaii Revised Statutes. The Commission had the discretion to determine which geographic gasoline markets and price information service to use to determine the baseline wholesale price. It also had the discretion to change the location adjustment factor, the marketing margin factor, and the mid-grade and premium adjustment factors. Furthermore, the Commission was given the authority to set the zone adjustments for the various geographic zones established within the State.

Unfortunately, and in some cases contrary to the advice and recommendations of its consultants, the Commission failed to utilize its discretion in the best interest of Hawaii's gasoline consumers and instead relied upon the numerical factors and adjustments contained in the statute. Your Committees find that these decisions by the Public Utilities Commission may have resulted in unnecessarily high margins in the pre-tax wholesale price of gasoline and higher costs to Hawaii's gasoline consumers. Therefore, your Committees find it necessary to change its tack in protecting the interests of Hawaii's consumers in advocating for fair gasoline prices.

Accordingly, your Committees have amended this measure by:

- (1) Repealing sections 486H-13, 486H-15, and 486H-16, Hawaii Revised Statutes, effective January 1, 2008;

- (2) Directing the Public Utilities Commission to suspend the enforcement of sections 486H-13 and 486H-16, Hawaii Revised Statutes, effective July 1, 2006;
- (3) Deleting the appropriation to the Public Utilities Commission to implement chapter 486H, Hawaii Revised Statutes;
- (4) Making changes to the bill's effective date; and
- (5) Making technical nonsubstantive changes for consistency and clarity.

Your Committees find it is not necessary to repeal chapter 486H, Hawaii Revised Statutes, at this time as we attempt to fully implement the petroleum monitoring, analysis, and reporting program. However, your Committees find that it may be a useful tool to provide a benchmark for gasoline prices during this transition period and, if necessary, retain the regulatory framework in place should the monitoring, analysis, and reporting program not achieve the desired results.

Your Committees considered authorizing the imposition of a fee for persons that are required to provide the Public Utilities Commission with petroleum industry information to make the program self-sustaining and respectfully request that your Committee on Finance consider the advisability of inclusion of a fee in this measure.

Your Committees further considered the inclusion of the contents of Senate Bill No. 2911 in this measure; however, that matter was not addressed during decision making. Accordingly, your Committees respectfully request that your Committee on Finance consider that further amendment to this measure.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3115, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3115, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Waters and Stonebraker.

**SCRep. 491-06 Energy & Environmental Protection/Legislative Management on H.B. No. 3216**

The purpose of this bill is to determine the feasibility of deploying alternative energy resources to the island of Kaho'olawe, by directing the Auditor to submit findings and recommendations to the Legislature and Governor. The report must include the identification of feasible alternative energy resources, a cost analysis, an assessment, an infrastructure and transportation needs analysis, an implementation strategy for the use of alternative energy resources to address the current and future energy needs of the island, and any proposed legislation.

Maui Tomorrow testified in support of this bill.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Legislative Management that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3216, H.D. 1, and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Harbin, Kanoho, B. Oshiro, Schatz and Takai.

**SCRep. 492-06 Consumer Protection & Commerce on H.B. No. 2214**

The purpose of this bill is to assist the motor vehicle industry by reducing from \$3 to \$2 per day, the rental motor vehicle surcharge tax that was levied for the period between September 1, 1999, to August 31, 2007.

Catrala-Hawaii testified in support of this bill with an amendment. The Department of Transportation and Department of Taxation opposed this measure. The Tax Foundation of Hawaii commented.

Your Committee heard testimony that the rental car industry generally opposes the addition of any fees passed on to tourists because this may have a detrimental effect on their competitive position with regard to other tourist destinations. However, your Committee recognizes that this relatively small \$1 reduction in the surcharge will have a substantial impact on state revenues.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2214 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Karamatsu and Sonson.

**SCRep. 493-06 Consumer Protection & Commerce on H.B. No. 2698**

The purpose of this bill is to improve the efficiency of the workers' compensation system by requiring the Director of Labor and Industrial Relations (DLIR) to establish standardized forms for health care providers to use when reporting on and billing for injuries compensable under the State Workers' Compensation Law.

The ILWU Local 142 and Hawaii Employers' Mutual Insurance Company, Inc., testified in support of this bill. The Hawaii Insurers Council and Hawaii State Chiropractic Association supported this measure with amendments. The Department of Human Resources Development supported the intent of this bill. The Hawaii Chapter - American Physical Therapy Association supported the intent of this measure with amendments. DLIR offered comments.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2698 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Karamatsu and Sonson.

**SCRep. 494-06 Consumer Protection & Commerce on H.B. No. 3053**

The purpose of this bill is to give the Public Utilities Commission (PUC) additional flexibility in implementing a rate-making structure that encourages electric utilities to use cost-effective renewable resources to meet the renewable portfolio standards, by:

- (1) Requiring that at least 50 percent of the renewable portfolio standards is to be met by "standard" renewable resources, such as wind, solar, and waste to energy; and
- (2) Allowing PUC to prescribe what portion of the remainder of the standards is to be met by specific types of renewable resources.

This bill also redefines "renewable energy" to distinguish between standard renewable resources and energy efficiency resources such as seawater air-conditioning district cooling systems.

PUC, Hawaiian Electric Company, Maui Electric Company, Hawaii Electric Light Company, Hawaii Renewable Energy Alliance, and Rocky Mountain Institute supported this bill. The Department of Business, Economic Development, and Tourism and Sierra Club, Hawaii Chapter, supported the intent of this measure. Life of the Land and Honolulu Seawater Air Conditioning, LLC, opposed this bill. The Consumer Advocate and the Hawaii Energy Policy Forum commented.

Your Committee recognizes that there is a debate on the advisability of defining "renewable energy" to include or exclude energy efficiency resources such as seawater air conditioning, which reduces the use of fossil fuels through efficiency with a corresponding reduction in electricity sales. Your Committee believes that this issue should be further examined as this measure moves through the legislative process.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3053 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho, Karamatsu and Morita.

**SCRep. 495-06 Health on H.B. No. 2073**

The purpose of this bill is to support the continuing battle against diseases that afflict our most valuable assets, our children, by creating the Childhood Diseases and Chronic Diseases Special Fund (Special Fund) to be financed by an income tax refund check-off on state tax returns.

Several concerned individuals testified in support of this bill. The Department of Health (DOH) opposed this measure. The Department of Taxation submitted comments.

Your Committee has amended this bill by:

- (1) Directing DOH to establish an expert advisory committee to expend the special fund to expand research to find a cure for various childhood diseases and chronic diseases, including juvenile diabetes and cancer; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2073, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2073, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Hale.

**SCRep. 496-06 Health on H.B. No. 2153**

The purpose of this bill is to provide better access to fetal alcohol spectrum disorder prevention, diagnostic, and treatment by establishing a fetal alcohol spectrum disorder coordinator position in the Office of the Lieutenant Governor.

Healthy Mothers Healthy Babies supported this bill. The Office of the Lieutenant Governor supported the intent of this measure.

Your Committee, having heard and passed a similar measure at an earlier date, has amended this bill by replacing its contents and inserting the substantive contents of H.B. No. 2975 which, due to a flaw in its title, was unable to progress any further.

As amended, this bill appropriates \$300,000 to the Department of Health (DOH) to provide outpatient urgent and extended medical care in West Maui.

Specifically, this bill allows DOH to facilitate West Maui's need for:

- (1) Urgent care as required for any episode of illness or injury that is not immediately life-threatening and not elective but is brought on unexpectedly;
- (2) Extended appropriate medical care services:
  - (A) After normal physician work hours;

- (B) After 5:00 p.m. on weekdays
  - (C) For whole or partial days on the weekends; and
  - (D) On holidays;
- and

- (3) Timely accessibility to emergency medical attention.

The Friends of Maui County Health, West Maui Health Alliance, and several concerned individuals supported this bill as amended. DOH supported the intent of this measure as amended.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2153, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2153, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 497-06 Health on H.B. No. 3154**

The purpose of this bill is to protect pregnant women and young children from the harmful effects of mercury found in many vaccines today by providing that, depending upon availability, children 10 and under and pregnant women shall receive no vaccines with mercury used as a preservative, and specifying that young children shall only receive trace amounts if necessary.

The Hawaii Chapter of the Cure Autism Now Foundation and numerous concerned individuals supported this bill. The Department of Health and American Academy of Pediatrics opposed this measure. The Hawaii Medical Association submitted comments.

Your Committee has amended this bill by:

- (1) Prohibiting the administration of vaccines with more than trace amounts of mercury to children under twelve years of age;
- (2) Providing that to the greatest extent possible, no person shall be vaccinated with a vaccine containing mercury;
- (3) Removing the provisions allowing the recourse of civil action for any person claiming to be aggrieved by a violation of this Act; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3154, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3154, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 498-06 Health/Human Services on H.B. No. 2064**

The purpose of this measure is to provide for the coordination and development of family caregiver support services.

Specifically, the measure requires the Executive Office on Aging to coordinate a statewide system of caregiver support services by, among other things:

- (1) Integrating family caregiver support with the Aging and Disability Resource Center Demonstration Project;
- (2) Analyzing the long-term care needs of older adults and the capacity of family and informal caregivers to help them remain safely at home;
- (3) Advocating, mobilizing, and coordinating employer and community resources to enable and augment family caregiver support;
- (4) Establishing and maintaining protocols and standards for federal and state caregiver services administered by state, county, or other local agencies on aging;
- (5) Establishing and supervising the alignment of long-term care advocacy assistance staff caregiver support objectives with the planning, resource development, grants management, data management, and evaluation functions of the Executive Office on Aging; and
- (6) Coordinating statewide support for grandparents and other aging relative caregivers of children eighteen and under.

Testimony in support of the measure was submitted by the Policy Advisory Board for Elder Affairs and the Kokua Council. The Executive Office on Aging supported the measure's intent.

Your Committees find that the need for personal care due to physical, sensory, cognitive, and self-care disabilities increases with age. According to the Executive Office on Aging, by 2020, more than one in four individuals will be sixty years old or older. As Hawaii's population ages, many more families will be providing higher levels of long-term care to frail and disabled older adults at home.



Your Committees also find that the Executive Office on Aging has reported that sixty-five per cent of Hawaii's caregivers are employed. To balance their employment and eldercare roles, working caregivers take leaves of absence, report to work late or leave early, change from full-time to part-time employment, change to less demanding jobs, retire early, or give up work completely. As a consequence, caregiving may reduce a caregiver's retirement income since reduced hours on the job or fewer years in the workforce may mean fewer contributions to pensions, social security, and other retirement savings.

Your Committees believe that, because of the inherent value system of most citizens of Hawaii and the high cost of institutional long-term care, the general preference of the elderly is to remain at home with their families. Consequently, your Committees also believe that the State should take a leading role in providing caregivers with the information, motivation, and support they need to provide care to family members.

Your Committees have amended the measure by:

- (1) Changing the appropriated amount from \$80,000 to \$1 to ensure continued discussion on this issue; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2064, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2064, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Sonson and Stonebraker.

**SCRep. 499-06 Health/Human Services on H.B. No. 3259**

The purpose of this bill is to provide QUEST eligible adults and children with oral health care by appropriating funds to the Department of Health (DOH) to establish dental health clinics for this group, with at least one clinic in each of the state's counties.

The Hawaii Disability Rights Center, Hawaii Primary Care Association, and Kokua Council supported this bill. DOH and State Council on Developmental Disabilities supported the intent of this measure.

Your Committees have amended this bill by:

- (1) Specifying that funds appropriated shall be used for DOH to establish community-based dental health clinics operated by community health centers or other community-based organizations;
- (2) Providing that the aged, blind and disabled population should be included as a priority in DOH's plan to provide dental care;
- (3) Directing that DOH provide the continuum of dental care based on best practices for QUEST eligible adults, the aged, blind, and disabled population consisting of, but not limited to:
  - (A) A lead primary care dentist who is trained by an accredited dental school in the treatment of individuals with disabilities;
  - (B) Faculty supervision from dentists from an accredited dental school providing appropriate sedation training; and
  - (C) Hospital-based care for anesthesia services.
- (4) Changing the appropriation to \$1 to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3259, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3259, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Stonebraker.

**SCRep. 500-06 Water, Land, & Ocean Resources/Housing on H.B. No. 3119**

The purpose of this bill is to support the development of affordable rental housing by increasing the amount allocated from the conveyance tax to the Rental Housing Trust Fund (RHTF) from 30 to 65 percent.

The Office of the Governor, Department of Taxation, Housing and Community Development Corporation of Hawaii, Hawaii Association of Realtors, Affordable Housing and Homeless Alliance, and several concerned individuals testified in support of this bill. The Nature Conservancy of Hawaii supported the intent of this measure. The Sierra Club, Hawaii Chapter and Tax Foundation of Hawaii offered comments.

Your Committees have amended this bill by leaving the percentage of the conveyance tax allocated to RHTF blank to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3119, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3119, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Schatz.

**SCRep. 501-06 Water, Land, & Ocean Resources on H.B. No. 2889**

The purpose of this bill is to:

- (1) Enter the old Nahiku School site on the Hawaii Registry of Historic Places;
- (2) Require the Department of Land and Natural Resources (DLNR) to construct a replica of the old Nahiku School, to be made available to the Nahiku community; and
- (3) Make an appropriation for the improvement and construction of the site.

The DLNR provided comments on this bill.

Your Committee notes that the United States Department of the Interior has specific criteria for a property to qualify for listing as a historic place. Since the old Nahiku School was destroyed by fire, it would be ineligible to qualify.

Accordingly, your Committee has amended this bill by:

- (1) Deleting the provision to enter the old Nahiku School site on the Hawaii Registry of Historic Places; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2889, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2889, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 502-06 Higher Education on H.B. No. 1829**

The purpose of this bill is to address a critical gap in long-term disaster recovery by appropriating funds to the University of Hawaii's (UH) School of Social Work's Long-term Case Management Program for victims of major natural disasters.

A representative of the UH-Manoa School of Social Work testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1829 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 503-06 Higher Education on H.B. No. 2041**

The purpose of this bill is to honor and recognize Senator Oren E. Long while supporting students enrolled at the University of Hawaii (UH) College of Education by:

- (1) Establishing the Senator Oren E. Long Scholarship Program (Program);
- (2) Establishing the Senator Oren E. Long Scholarship Program Special Fund (Long Special Fund) to support the Program; and
- (3) Appropriating \$200,000 for transfer into the Long Special Fund.

Several concerned individuals supported this bill. UH and the Department of Education supported the intent of this bill. The Department of Budget and Finance submitted comments.

Your Committee has amended this measure by:

- (1) Stipulating that recipients of the awards from the Program be:
  - (A) Residents of Hawaii; and
  - (B) Enrolled in a state-approved teacher preparation program at UH;
- (2) Deleting the condition that recipients of the awards from the Program be upperclassmen enrolled at the UH College of Education;
- (3) Deleting the Long Special Fund;
- (4) Establishing that funds for the Program shall be deposited into UH's Student Scholarship and Assistance Special Fund (Assistance Special Fund) to be used to support the Program;
- (5) Clarifying that \$200,000 be deposited into the Assistance Special Fund and used for the Program; and
- (6) Making technical, nonsubstantive amendments for style, clarity, and consistency.

Your Committee recognizes that concerns were raised regarding state funding of scholarship programs and, specifically, how the Program will remain solvent without any continuous influx of funds. Your Committee, however, feels that these financial issues would be better addressed by the Committee on Finance and has passed this measure out to continue discussion of the matter.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2041, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2041, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Green and Harbin.

**SCRep. 504-06 Higher Education on H.B. No. 3158**

The purpose of this bill is to appropriate \$5,408,017 for utility and maintenance expenses of the University of Hawaii (UH) at Manoa.

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

Your Committee finds that many of UH's buildings system-wide are in dire need of repair and maintenance. An appropriation dedicated to meet these utility, repair, and maintenance needs will help UH recover from continuous budget cuts and shortfalls.

Accordingly, your Committee has amended this bill by:

- (1) Broadening its scope to include the utility, repair, and maintenance requests of all campuses in the UH System by appropriating the sum of \$84,000,000; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3158, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3158, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Chang, Harbin and Ching.

**SCRep. 505-06 Higher Education on H.B. No. 3166**

The purpose of this bill is to support the education of students through multimedia by appropriating funds for a student-run television station and programming at the University of Hawaii (UH).

Numerous concerned individuals testified in support of this measure.

Your Committee held several hearings on other bills relating to the operating budgets of UH's community colleges and found wide support for the provisions of these bills among their students, faculty, and staff. UH either supported or supported the intent of these bills. Therefore, upon further consideration, your Committee has amended this bill by replacing its entire contents with the substance of the following bills:

- (1) H.B. No. 3184, relating to funding for Honolulu Community College's operating costs, programming for native Hawaiians, student educational outreach and retention, equipment replacement, and technical education;
- (2) H.B. No. 3186, relating to funding for Kapiolani Community College's infrastructure improvements, native Hawaiian programs, services and accommodations for disabled students, workforce and economic development programs, and long-term care education;
- (3) H.B. No. 3191, relating to funding for Leeward Community College's (LCC) security and safety measures, up-to-date equipment, staffing, and resources for financial aid and job placement operations, marketing, Associate of Arts in teacher program, and digital media support;
- (4) H.B. No. 2845, relating to funding for a Philippine studies program at LCC;
- (5) H.B. No. 3103, relating to funding for LCC's registered nursing program;
- (6) H.B. No. 3189, relating to funding for Windward Community College's (WCC) technical support and equipment, campus security, facilities repair and maintenance, and equipment replacement;
- (7) H.B. No. 3178, relating to funding for Hawaii Community College's (Hawaii CC) campus operations, student transition services, equipment replacement, and support for students with disabilities;
- (8) H.B. No. 3182, relating to funding for Kauai Community College's (Kauai CC) equipment replacement, technological infrastructure and staffing, and teacher training program; and
- (9) H.B. No. 3181, relating to funding for Maui Community College's (MCC) workforce development programs.

Your Committee has also included funding for the following:

- (1) Native Hawaiian initiatives at LCC, WCC, Hawaii CC, Kauai CC, and MCC;
- (2) Nursing programs at Hawaii CC, Kauai CC, and MCC; and

- (3) Community college system-wide support for:
- (a) Funding for the increasing costs of utilities;
  - (b) The Program Review/Program Improvement Fund to develop resources to meet assessment needs; and
  - (c) The Rapid Response Workforce Development Fund to initiate and continue employment training.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3166, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3166, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Berg, Chang, Harbin and Ching.

**SCRep. 506-06 Higher Education on H.B. No. 2573**

The purpose of this bill is to strengthen watershed management efforts in the State through a pilot program.

Specifically, this bill designates the Kaiaka Bay watershed on Oahu as the site for a pilot watershed and action plan that may serve as a model for statewide use. This bill also appropriates \$200,000 to the College of Tropical Agriculture and Human Resources of the University of Hawaii at Manoa for this undertaking.

The University of Hawaii at Manoa College of Tropical Agriculture and Human Resources, Office of Hawaiian Affairs, Resource Management Systems, LLC, Haleiwa Community Gardens Association, a University of Hawaii professor, and residents of Waiialua testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2573 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 507-06 Higher Education on H.B. No. 1993**

The purpose of this bill is to improve the availability of mental health care services for patients statewide by establishing and appropriating funds for a one-year pilot telepsychiatry project at the University of Hawaii to serve certain locations around the State.

Your Committee received testimony in support of this bill from the Hawaii Psychiatric Medical Association and a psychiatrist in private practice.

Your Committee believes that this bill represents a step forward in rectifying the lack of access to mental health services in certain areas of the State by demonstrating the efficiency of telepsychiatry as a means of providing those services.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1993, H.D. 1, and recommends that it be referred to the Committee on Finance.

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

**SCRep. 508-06 Higher Education on H.B. No. 2045**

The purpose of this bill is to improve the welfare of infants and their mothers by establishing a pilot perinatal clinic at the University of Hawaii John A. Burns School of Medicine, to provide social service case management; counseling; and perinatal, pediatric, and psychiatric care for women on Oahu with a history of substance abuse.

The Hawaii State Commission on the Status of Women, Hawaii Substance Abuse Coalition, The Drug Policy Forum of Hawaii, Hawaii Section of the American College of Obstetricians and Gynecologists, Hawaii Chapter of the American Academy of Pediatrics, Hawaii Medical Association, Healthy Mothers Healthy Babies Coalition of Hawaii, Blueprint for Change, Hawaii Psychiatric Medical Association, Hawaii Women's Coalition, and a concerned individual testified in support of this bill. The Department of Human Services supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2045, H.D. 1, and recommends that it be referred to the Committee on Finance.

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

**SCRep. 509-06 Higher Education on H.B. No. 2162**

The purpose of this bill is to provide incentives for nurses to serve rural areas of the state by establishing the Rural Nursing Program to provide loans to nursing students, each year of which will be forgiven for each year the nurse works in a rural area.

The University of Hawaii (UH) School of Nursing and Dental Hygiene, Hawaii Government Employees Association, and a concerned individual testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2162, H.D. 1, and recommends that it be referred to the Committee on Finance.

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

**SCRep. 510-06 Higher Education on H.B. No. 2180**

The purpose of this bill is to establish two new programs within the University of Hawaii community college system.

The bill establishes the Rapid Response Development and Training Program and a Construction Academy, and appropriates funds for their establishment. Specifically, the Rapid Response Development and Training Program will assist unemployed and underemployed persons who cannot reasonably be expected to obtain suitable full-time employment without the benefit of training. The Construction Academy, on the other hand, will be a public and private sector partnership whose goal is to increase the number of high school graduates entering construction careers, by teaching multiple disciplines in a small learning community environment.

The University of Hawaii submitted testimony in support of the measure, recommending that certain language in the bill be revised and noting that they would be willing to work with the Committee in making the revisions. Testimony in support of this measure was also received from the County of Kauai, the Hawaii Business Roundtable, the Associated Builders and Contractors, Inc., and the Pacific Resource Partnership.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2180, H.D. 1, and recommends that it be referred to the Committee on Finance.

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

**SCRep. 511-06 Judiciary on H.B. No. 563**

The purpose of this bill is to clarify processes for the importation of microorganisms necessary for medical and scientific uses by repealing the Microorganism Import Certification Program in part V of Chapter 150A, Hawaii Revised Statutes.

The Department of Agriculture (DOA) testified in support of this bill. The University of Hawaii (UH), Hawaii Science & Technology Council, and a concerned individual opposed this measure. Two concerned individuals provided comments.

DOA has indicated that current statutory and administrative rule provisions provide a better process for importing microorganisms than the certification program repealed by this bill. During the hearing on this bill, however, your Committee was informed that DOA and biotechnology researchers who had testified in opposition to this measure had devised a workable alternative that might streamline importation of microorganisms for research purposes. In lieu of the laboratory certification program repealed by this bill, a new provision would authorize laboratories conducting research under a federal grant award or an award from a non-federal funding agency approved by DOA to import microorganisms through means other than the current permitting process. Decision-making was deferred to allow interested parties to propose language satisfactory to all concerned. The amended draft for this bill now reflects this agreed-to revision.

DOA provided your Committee a Justification Sheet dated February 2, 2006. As in the justification sheet attached to the original bill in 2005, the revised justification sheet expressed concerns that the laboratory certification program repealed by this bill vests "discretion to determine whether the risk level for a desired microorganism species would not exceed the certified importer laboratory's containment capability" with the laboratory itself, not DOA.

The revised justification sheet adds the following explanation of the recently proposed revisions to this bill:

*Federal grant awards provide assurance that the grantee's research meets federal requirements such as compliance with the: (1) Public Health Security and Bioterrorism Preparedness and Response Act of 2002 (P.L. 107-188), which is intended to provide protection against misuse of federally regulated microorganisms; (2) national institutes of health guidelines involving DNA molecules for research involving certain federally regulated microorganisms and recombinant DNA molecules; (3) nuclear regulatory commission standards and regulations; (4) occupational health and safety standards issued by the occupational health and safety administration; (5) bloodborne pathogens; and (6) federal, state, and local health and safety standards to minimize employees' risk of injury or illness. As for non-federal funding sources, board approval of the funding source would be required before such award grantees would be eligible for exemption from the import permit requirement. Regardless of the funding source, department approval of the grantee's institutional biosafety committee would be a prerequisite for this exemption. Under this proposed amendment, all but certain microorganisms of particular concern to the department, as determined by rule, could be imported by qualified grantees without a permit.*

Accordingly, your Committee has amended this bill by:

- (1) Establishing conditions under which the importation of microorganisms for laboratory research under a federal grant award or award from a non-federal funding agency approved by DOA is exempt from microorganism importation requirements;
- (2) Requiring prior approval from DOA for microorganisms imported under the new exemption from importation requirements to be transferred to other entities in the state;
- (3) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (4) Making technical, nonsubstantive changes for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 563, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 563, H.D. 1.

Signed by all members of the Committee except Representative Karamatsu.

**SCRep. 512-06 Judiciary on H.B. No. 1923**

The purpose of this bill is to maintain the operational efficiency of the Hawaii Tourism Authority (HTA) by, among other things, making permanent:

- (1) HTA's authority to retain attorneys independent of the Attorney General;
- (2) The exemption of HTA's accounts from supervision by the Comptroller;
- (3) The requirement that HTA preaudit all of its proposed payments to determine the propriety of expenditures and compliance with applicable laws;
- (4) The requirement that HTA maintain records and documents necessary to support its disbursements of funds for operating expenses;
- (5) The provision that exempts interest earned on moneys deposited by HTA into the Convention Center Enterprise Special Fund and the Tourism Special Fund (TSF) from being deposited into the state treasury;
- (6) HTA's authority to appoint a sports coordinator;
- (7) The provision that establishes that all interest and revenues or receipts derived by HTA from projects or project agreements shall be deposited into the TSF; and
- (8) The increase, to 5 percent from 3.5 percent, in TSF funds that may be used for administrative expenses.

HTA testified in support of this bill. The Department of the Attorney General (AG) opposed this measure in part.

The AG raised concerns over granting HTA permanent power to retain attorneys independent of the Attorney General. Your Committee finds that this matter should be dealt with cautiously and with the best interests of the State in mind.

Accordingly, your Committee has amended this bill by:

- (1) Extending by three years to June 30, 2010, rather than making permanent, the provision that grants HTA power to retain their own attorneys independent of the Attorney General;
- (2) Changing the effective date to January 1, 2006, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1923, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1923, H.D. 1.

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

**SCRep. 513-06      Judiciary on H.B. No. 2212**

The purpose of this bill is to improve the process by which public school students are assessed and treated for substance abuse by:

- (1) Allowing certified substance abuse counselors to conduct substance abuse assessments to qualify individuals for substance abuse-related insurance benefits;
- (2) Requiring assessments to be completed within 10 days of the request for a determination if the applicant faces disciplinary action for violating the zero tolerance policy for drugs and alcohol in public schools;
- (3) Making permanent the provisions that allow a child who violates the zero tolerance policy to return to school earlier than indicated in the original disciplinary determination;
- (4) Requiring public schools to screen students who face substance abuse-related discipline to determine if a need exists for a substance abuse assessment referral;
- (5) Requiring the parent or legal guardian of a child facing discipline, but who has been assessed as not needing substance abuse treatment or counseling, to consent to follow-up counseling or other student support services for the child and the child's family;
- (6) Requiring the school administrator, in determining whether to allow a child to return to school early, to review and determine the nature and severity of the child's offense, its impact on others, the offender's age, and whether the child is a repeat offender; and
- (7) Clarifying that the expungement of disciplinary records for certain first-time violators of the zero tolerance policy means the records are segregated and kept confidential, not destroyed.

The Department of Education (DOE), Hina Mauka, and Hawaii Substance Abuse Coalition testified in support of this bill. The Drug Policy Action Group and Drug Policy Forum of Hawaii supported the intent of this measure. A concerned individual supported this bill with amendments. The Hawaii Medical Service Association offered comments.

Your Committee notes that although concerns have been raised over the use of the word "expunge" in regards to the disposition of disciplinary records for certain first-time violators of the zero tolerance policy, section 831-3.2(c), Hawaii Revised Statutes, illustrates how the expungement of files can mean that the files are kept confidential and not destroyed, as the definition of "expunge" in this measure is intended.

Your Committee has amended this bill by:

- (1) Clarifying that the screening tool used by the schools must be approved by DOE; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2212, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2212, H.D. 1.

Signed by all members of the Committee except Representatives Kanoho and Karamatsu.

**SCRep. 514-06      Judiciary on H.B. No. 2213**

The purpose of this bill is to improve student access to substance abuse services by establishing and funding an "assessment bank" to cover the cost of substance abuse assessments for uninsured students found violating the Department of Education's (DOE) zero tolerance policy relating to alcohol and drugs.

DOE, Drug Policy Action Group, Drug Policy Forum of Hawaii, Hina Mauka, Hawaii Substance Abuse Coalition, and a concerned individual testified in support of this bill. The Department of Health offered comments.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2213, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2213, H.D. 1.

Signed by all members of the Committee except Representatives Kanoho and Karamatsu.

**SCRep. 515-06      Judiciary on H.B. No. 1706**

The purpose of this bill is to establish the Uniform Environmental Covenants Act to:

- (1) Ensure that land use restrictions, environmental monitoring requirements, and common engineering controls will be reflected on land records; and
- (2) Encourage the transfer of ownership and property re-use by providing a process for creating, modifying, or terminating environmental covenants and recording actions that will be reflected in the title abstract of the contaminated property.

The Department of Health (DOH) and Commission to Promote Uniform Legislation testified in support of this bill. The Land Use Research Foundation of Hawaii did not support this measure. The University of Hawaii Environmental Center offered comments.

Your Committee respectfully requests the Committee on Finance to further discuss the necessity of the new positions created within DOH in section 3 of this measure.

Your Committee has amended this bill by:

- (1) Replacing the Bureau of Conveyances with the Registrar of Conveyances for recordation purposes to ensure that Land Court property is also included;
- (2) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1706, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1706, H.D. 2.

Signed by all members of the Committee except Representative Karamatsu.

**SCRep. 516-06      Judiciary on H.B. No. 2039**

The purpose of this bill is to eliminate the threat to public health posed by toxic chemicals left behind by illegal drug manufacturing by directing the Department of Health (DOH) to establish interim procedures and guidelines for emergency and long-term decontamination and cleanup of illegal methamphetamine manufacturing sites.

DOH, the Honolulu Police Department, Mililani Town Anti-Drug Committee, and a concerned individual testified in support of this measure.

Your Committee has amended this bill by:

- (1) Removing the DOH's exemption from Chapter 91, Hawaii Revised Statutes, when adopting the interim procedures;

- (2) Changing the effective date to July 1, 2006, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2039, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2039, H.D. 2.

Signed by all members of the Committee except Representative Caldwell.

**SCRep. 517-06      Judiciary on H.B. No. 2107**

The purpose of this bill is to help family caregivers offset the costs of caring for a mentally or physically impaired relative by:

- (1) Establishing and appropriating funds for a Hawaii Caregiver Grant Program and Hawaii Caregiver Grant Program Special Fund (Special Fund) to be administered by the Executive Office on Aging (EOA);
- (2) Creating methods and criteria to determine applicants' qualifications for grants from the Special Fund; and
- (3) Providing support for the administration of the Special Fund.

A concerned individual testified in support of this bill. EOA and the Policy Advisory Board for Elder Affairs supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2006, to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2107, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2107, H.D. 2.

Signed by all members of the Committee except Representative Caldwell.

**SCRep. 518-06      Judiciary on H.B. No. 2264**

The purpose of this bill is to reduce ambient light pollution by requiring the state Department of Transportation and counties to use fully shielded lighting fixtures when installing new outdoor lighting units on highways and streets.

A Maui County Council member and Sierra Club, Hawaii Chapter, testified in support of this bill. The Department of Transportation supported the intent of this measure. The Department of Design and Construction of the City and County of Honolulu offered comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2006, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and to correct drafting errors.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2264, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2264, H.D. 2.

Signed by all members of the Committee except Representative Caldwell.

**SCRep. 519-06      Judiciary on H.B. No. 2442**

The purpose of this bill is to prevent the closure of military installations due to encroachment of civilian urban growth by requiring notification to the commanding officer of a military installation of any application for county zoning changes and any petition for state land use district amendments of land near a military installation.

The Department of Defense testified in support of this bill. The Chamber of Commerce of Hawaii supported the intent of this measure. The Land Use Research Foundation of Hawaii opposed this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2006, to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2442, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2442, H.D. 2.



Signed by all members of the Committee except Representative Caldwell.

**SCRep. 520-06 Consumer Protection & Commerce on H.B. No. 3097**

The purpose of this bill is to assist counties with populations of less than 500,000 to maintain adequate fuel supplies by:

- (1) Allowing special purpose revenue bonds to be issued for constructing petroleum storage facilities in these counties; and
- (2) Establishing a tax credit for persons or entities that construct petroleum storage facilities within the counties.

Mid Pac Petroleum testified in support of this bill. The Department of Business, Economic Development, and Tourism and Aloha Petroleum, Ltd., supported the intent of this measure. The Department of Budget and Finance, Department of Taxation, Tax Foundation of Hawaii, and the Western States Petroleum Association submitted comments.

Your Committee finds that this measure will assist neighbor islands in acquiring adequate storage facilities for fuel supplies. Additional fuel storage may prove to be of great value during a time of crisis when fuel supplies are not readily transferable to the neighbor islands.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3097 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Karamatsu and Sonson.

**SCRep. 521-06 Consumer Protection & Commerce on H.B. No. 1867**

The purpose of this bill is to protect the health and well-being of injured workers when there is a dispute between the injured employee and the employer or insurance carrier as to whether medical services should be continued, by allowing an injured employee to continue to receive medical services until the Director of Labor and Industrial Relations (Director) issues a decision on the matter.

The Hawaii Nurses Association, Hawaii State Teachers Association, Hawaii Chapter, American Physical Therapy Association, ILWU Local 142, and numerous concerned individuals testified in support of this bill. The Hawaii Government Employees Association and a concerned individual supported this measure with an amendment. The Hawaii State Chiropractic Association and Hawaii State AFL-CIO supported the intent of this bill. The Department of Human Resources Development, Hawaii Insurers Council, and Hawaii Independent Insurance Agents Association opposed this measure. The Department of Labor and Industrial Relations, Hawaii Medical Service Association, Hawaii Employers' Mutual Insurance Company, Inc., International Brotherhood of Electrical Workers (IBEW) Local 1260, IBEW Local 1357, and a concerned individual offered comments.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1867, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Karamatsu and Sonson.

**SCRep. 522-06 Consumer Protection & Commerce on H.B. No. 1975**

The purpose of this bill is to provide critical medical care services for residents and visitors on the island of Hawaii by appropriating funds for two emergency mobile urgent care units to be stationed at the fire departments of the Ocean View and Volcano communities.

The County of Hawaii Fire Department, Hawaii Government Employees Association, Legislative Information Services of Hawaii, and the Hawaii Primary Care Association supported this bill.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1975, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Karamatsu and Sonson.

**SCRep. 523-06 Consumer Protection & Commerce on H.B. No. 2605**

The purpose of this bill is to ensure fairness and equity among operators of the one call center by allowing a cable operator that pays annual fees to the Department of Commerce and Consumer Affairs (DCCA) to petition DCCA for approval to apply its one call center fees as credit toward its annual fee payments.

Oceanic Time Warner Cable supported this bill. DCCA submitted comments.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2605, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Karamatsu and Sonson.

**SCRep. 524-06 Energy & Environmental Protection on H.B. No. 2621**

The purpose of this measure is to clarify the role of the Consumer Advocate of the Division of Consumer Advocacy, Department of Commerce and Consumer Affairs to better protect the interests of consumers.

Specifically, this measure clarifies that the Consumer Advocate shall represent consumers only. It also clarifies that "consumers" shall be defined as "rate payers of public utility services or retail purchasers of gasoline."

The Executive Director of the Division of Consumer Advocacy, Department of Commerce and Consumer Affairs, provided comments on this measure. Life of the Land submitted testimony in opposition.

Your Committee finds that there has been some confusion in the Consumer Advocate's role in the regulation of the wholesale price of gasoline, which is not a public utility. This measure is intended to clarify that the Consumer Advocate represents the consumers, not the regulated companies.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2621 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Carroll, Harbin, Kanoho and Pine.

**SCRep. 525-06 Energy & Environmental Protection on H.B. No. 1876**

The purpose of this measure is to authorize the Governor to suspend the maximum pre-tax wholesale price of gasoline in the event of a natural disaster that has an adverse impact on or disrupts gasoline supplies or prices in the State.

The Department of Business, Economic, Development and Tourism, the Consumer Advocate, and the Western States Petroleum Association submitted testimony in opposition to this measure. C & H Farms submitted testimony in support of this measure. Aloha Petroleum supported the intent of the measure.

Your Committee notes that although section 1 of this measure states that its intent is to apply to a natural disaster occurring anywhere in the world, this is not expressly stated in section 2 of the measure. Accordingly, your Committee requests that this issue be addressed by the subsequent committee receiving this measure.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1876 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Carroll, Harbin, Kanoho and Pine.

**SCRep. 526-06 Energy & Environmental Protection on H.B. No. 3099**

The purpose of this measure is to provide that, in order to survive a dispositive pretrial motion in an antitrust case against a producer or refiner of petroleum products, a plaintiff is not required to present evidence that tends to exclude the possibility that the alleged conspirators acted independently.

A concerned citizen testified in support of this measure, while the Department of the Attorney General opposed it. The Western States Petroleum Association submitted comments.

Your Committee believes that the issues raised by this measure merit further discussion. Accordingly, your Committee requests that your Committees on Consumer Protection & Commerce and Judiciary further review this measure and the testimony presented by the Department of the Attorney General and other interested parties.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3099 and recommends that it pass Second Reading and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee except Representatives Carroll, Harbin and Pine.  
(Representative Thielen voted no.)

**SCRep. 527-06 Labor & Public Employment on H.B. No. 2372**

The purpose of this bill is to increase the number of individuals eligible for state and county employment by:

- (1) Requiring that applicants for state and county positions reside in the state at the beginning of appointment, instead of at the time of application; and
- (2) Authorizing all personnel department heads to waive the residency requirement for essential, critical-to-fill, and labor-shortage positions.

The Department of Human Resources Development testified in support of this bill. The Department of Education supported the intent of this measure. The Hawaii Government Employees Association opposed this measure. The Department of the Attorney General offered comments.

Your Committee finds that the current law, which requires applicants to reside in the state at the time they apply for government positions, limits the number of potentially qualified applicants, especially as many baby-boomer employees anticipate retiring within the next five years. To offset the potential loss of qualified employees, legislation that expands the pool of future government employees is critical.

However, your Committee does have concerns as to whether discretion to waive the requirement that an applicant for employment acquire residency after being employed by the State or county should be given to the director of personnel of the applicable jurisdictions. Moreover, your Committee also has concerns regarding what encompasses a "highly specialized technical and scientific skills or knowledge" and "critical-to-fill and labor shortage" position and whether this language is overly broad. As such, your Committee on Labor and Public Employment respectfully requests the Committee on Judiciary to review these matters.

Your Committee has amended this bill by:

- (1) Restoring the original definition of "resident" in section 78-1(c), Hawaii Revised Statutes, which provides clearer and more objective measurements of intent to make Hawaii a permanent residence;
- (2) Changing the effective date to January 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2372, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2372, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 528-06 Labor & Public Employment on H.B. No. 2696**

The purpose of this bill is to protect legitimately ill employees by prohibiting an employer or labor organization from discriminating against an employee who uses accrued and available sick leave.

The Hawaii State AFL-CIO, IBEW Local 1357, IBEW Local 1260, and IBEW Local 1186 testified in support of this bill. The Department of Labor and Industrial Relations (DLIR), Department of Human Resources Development, Chamber of Commerce of Hawaii, Hawaii Credit Union League, Society for Human Resource Management-Hawaii Chapter, Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc., Maui Electric Company Limited, and GEICO testified in opposition to this measure. Hawaiian Telcom commented on this measure opposing the bill as currently written, but supporting amendments to the bill.

Programs such as the Workers' Compensation Program and Temporary Disability Insurance laws were enacted to afford certain protections for ill or injured workers. However, your Committee notes that no public policy, either via statute, rule, or regulation, exists to protect the use of sick leave for illnesses of a non-chronic and short-term nature.

While your Committee has been informed that employees have been disciplined, reprimanded, and suspended from employment for the legitimate use of sick leave, your Committee is also cognizant of the fact that abuse of sick leave also occurs. It is not the intent of this bill to protect abusers of an employer's sick leave policy, but rather to protect legitimately ill employees who use accrued and available sick leave.

To prevent misuse or abuse of sick leave benefits by employees while protecting their use of sick leave, your Committee has amended this bill by deleting its contents and inserting language that:

- (1) Makes it unlawful for an employer to discharge or otherwise punish an employee with a serious health condition who requires continuous treatment for a period greater than twelve weeks as certified by a licensed physician in the state for the lawful use of the employee's accrued and available sick leave provided by the terms and conditions of a sick leave policy under a valid collective bargaining agreement or a valid employment policy;
- (2) Establishes procedures for filing a complaint against an employer who retaliates against an employee for lawfully using sick leave;
- (3) Provides a process for hearing a complaint against an employer;
- (4) Provides remedies for unlawfully taking disciplinary action against an employee; and
- (5) Provides for judicial review for any person aggrieved by an order of DLIR.

Your Committee has further amended this measure by:

- (1) Clarifying that an employer must file an answer to the complaint within 30 days of the complaint being served by DLIR; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2696, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2696, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 529-06 Labor & Public Employment/Economic Development & Business Concerns on H.B. No. 3209**

The purpose of this bill is to incrementally increase the minimum wage tip credit for tipped employees over the next two fiscal years.

The Department of Labor and Industrial Relations (DLIR), The Chamber of Commerce of Hawaii, Hawaii Hotel and Lodging Association, Nick's Fishmarket Restaurant, Gyotaku Japanese Restaurant, Eastside Bar & Grill, Hawaii Restaurant Association, Auntie Pasto's Restaurant, Hawaii Full Service Restaurant Owners, Ruth's Chris Steak House, Wailana Coffee House, Dream Dining Honolulu LLC, Douglas

Trade Shows, Sorabol Korean Restaurant, Kona Brewing Company, Dixie Grill Bar-B-Que & Crab Shack, Tanaka of Tokyo Restaurants, Desert Island Restaurants, Hana Kikaku, Inc., and several concerned individuals testified in support of this bill. The Hawaii State AFL-CIO, ILWU Local 142, Hawaii State Teachers Association, and several concerned individuals opposed this measure. Big City Diner submitted comments.

Current law allows for employers to pay tipped employees below the minimum wage if tipped employees earn a specified amount over the minimum wage when their tips are factored into their wages. Although a number of other states that have "tip credit" laws have increased their "tip credits" over the years, Hawaii's "tip credit" has not increased since 1969. As a result, 40 states and Washington, D.C., currently allow for tipped employees to be paid less than \$4.00 per hour while Hawaii's tipped employees must be paid a minimum of \$6.25 per hour.

Your Committees understand the concerns raised by various businesses that recent increases in the minimum wage without an increase in the "tip credit" have diminished their ability to significantly increase their employment rolls and their ability to increase the wages of non-tipped employees, including individuals working in the "back" of restaurants, such as cooks and dishwashers. While your Committees received assurances from many businesses that the resulting cost savings from a tip credit would be passed on to non-tipped employees through wage increases, your Committees note that increasing the "tip credit" will not necessarily result in non-tipped individuals' receiving pay raises. Accordingly, your Committees have amended this measure by:

- (1) Providing that the wages of non-tipped, non-salaried employees shall be increased by 50 percent of the "tip credit" in order for an employer to claim a tip credit for their tipped employees; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Labor & Public Employment and Economic Development & Business Concerns that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3209, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3209, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Oshiro, Souki and Stevens.

**SCRep. 530-06 Labor & Public Employment/Human Services on H.B. No. 2367**

The purpose of this bill is to protect Hawaii's children by:

- (1) Requiring employees, prospective employees, and volunteers who seek employment with contracted providers or subcontractors of the Office of Youth Services (OYS) of the Department of Human Services (DHS), which would place them in close proximity to youth, be subject to criminal history record checks;
- (2) Requiring OYS to develop a system for obtaining verifiable information on the criminal history records of the individual seeking employment;
- (3) Allowing OYS to require a contracted provider or subcontractor to refuse employment to an applicant, terminate an employee, or terminate the services of a volunteer under certain circumstances;
- (4) Allowing the Department of Human Services (DHS) to conduct criminal history record checks on employees, prospective employees, and volunteers of contracted providers and subcontractors who would be working in close proximity to youth when providing services on behalf of OYS or the Hawaii Youth Correctional Facility; and
- (5) Exempting OYS from section 831-3.1, Hawaii Revised Statutes (HRS), which controls the government's use of prior conviction to make employment decisions, and from the administrative procedures of Chapter 91, HRS, when conducting its investigations, notifications, or hearings on criminal history record checks.

The Department of Human Resources Development, OYS, and the Hawaii Youth Services Network testified in support of this bill.

Your Committees find that OYS currently provides a number of services to at-risk youth, including youth service centers, alternative to incarceration programs, intensive supervision of juvenile offenders released into the community, and diversion services for status offenders and non-violent violators of the law. A large majority of these services are provided via contracts with private agencies who also subcontract with other entities. Your Committees strongly believe that, since many of the employees and volunteers who work for these contractors and subcontractors will be working in close proximity to children, it is appropriate that these individuals be required to submit to criminal history record checks as a condition of employment. The protection of the health, safety, and well being of our youth is of the utmost importance.

As affirmed by the records of votes of the members of your Committees on Labor & Public Employment and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2367 and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Arakaki, Ito, Kawakami, Souki, Stevens and Stonebraker.

**SCRep. 531-06 Health/Human Services on H.B. No. 2938**

The purpose of this bill is to improve and support statewide services to long-term care programs by making an appropriation for:

- (1) The Long-Term Care Ombudsman Program (Ombudsman Program) to establish three ombudsman specialist positions to ensure adequate services for the Neighbor Islands; and
- (2) The Ombudsman Program's operating costs related to the Neighbor Island's Ombudsman Program and volunteer programs.

Specifically, this bill enhances the Executive Office on Aging's (EOA) ability to provide:

- (1) Improved and continuous provision of information and referral assistance;
- (2) Educational activities to increase community awareness of elder rights;
- (3) Representation at the Legislature; and
- (4) Training to long-term care staff, family councils, and resident councils.

The EOA supported the intent of this bill.

Your Committees have amended this bill by:

- (1) Eliminating specific references to the Ombudsman Program Specialist IV and the Clerk Typist II positions;
- (2) Providing that the funding go to the EOA for the operation and delivery of the Ombudsman Program on the Neighbor Islands to allow increased flexibility in the administration of these funds;
- (3) Changing the appropriations amounts to \$1 to encourage further discussion; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2938, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2938, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Sonson and Stonebraker.

**SCRep. 532-06 Health on H.B. No. 2333**

The purpose of this bill is to:

- (1) Provide for the automatic forfeiture of a license that is not renewed in a timely manner;
- (2) Create an inactive license status;
- (3) Impose a two-year restoration period for forfeited licenses; and
- (4) Add continuing education as an alternative proof of continuing competence for nurses who wish to activate their licenses after not having practiced nursing in the United States (US) or US-governed territories for more than five years.

The Board of Nursing and Hawaii Nurses' Association supported this bill.

Your Committee has amended this bill by:

- (1) Stipulating that a person who chooses to restore a forfeited license within two years will be required to:
  - (A) Comply with the licensing renewal requirements provided by law;
  - (B) Complete any written application; and
  - (C) Pay all applicable renewal fees, penalty fees, compliance resolution fund fees and, if applicable, recovery fund assessments;
- (2) Clarifying that section 1, to the extent that it relates to continuing education as alternative proof of continuing competency of nurses, shall not take effect until the Board of Nursing adopts rules governing and indicating the type of continuing education that would be deemed adequate and necessary; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2333, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2333, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

**SCRep. 533-06 Tourism & Culture on H.B. No. 3223**

The purpose of this bill is to protect the health and safety of contestants involved in physically demanding and potentially dangerous contests by, among other things:

- (1) Prohibiting no rules combat, extreme or ultimate fighting, or similar contests (No Rules Combat);
- (2) Repealing existing laws regulating No Rules Combat; and
- (3) Expanding the jurisdiction of the existing State Boxing Commission of Hawaii (Boxing Commission) by:

- (A) Including mixed martial arts contests under its jurisdiction; and
- (B) Renaming the Boxing Commission as the State Athletic Commission of Hawaii.

Several concerned individuals opposed this bill. The Department of Commerce and Consumer Affairs, the Boxing Commission, and a concerned individual submitted comments.

Your Committee remains very concerned about the popularity and growth of No Rules Combat in Hawaii. However, your Committee notes that concerns were raised regarding the specific provisions contained in this measure, including the changes made to the existing Boxing Commission.

In light of these concerns, your Committee has amended this measure by deleting its contents and inserting provisions that establish a separate Mixed Martial Arts Commission of Hawaii (Commission) to regulate mixed martial arts contests. In addition, this bill, among other things:

- (1) Redefines No Rules Combat to further distinguish it from "mixed martial arts" and prohibits this No Rules Combat;
- (2) Repeals existing law regulating No Rules Combat;
- (3) Establishes the duties, powers, and jurisdiction of the Commission;
- (4) Establishes specific requirements for mixed martial arts contests;
- (5) Establishes penalties, violations, licensing requirements, and license fees for participants in mixed martial arts contests;
- (6) Requires promoters to pay certain fees from gross sales and gross receipts derived from mixed martial arts contests;
- (7) Appropriates funds for operational and administrative expenses of the Commission; and
- (8) Contains an effective date of July 1, 2007, for all provisions in the bill, including items (1) and (2), except for:
  - (A) The sections relating to the establishment of the Commission and certain powers and duties of the Commission, which take effect upon approval; and
  - (B) The appropriation in item (7), which takes effect on July 1, 2006.

As affirmed by the record of votes of the members of your Committee on Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3223, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3223, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee except Representatives Karamatsu and Ching.

**SCRep. 534-06 Consumer Protection & Commerce on H.B. No. 2175**

The purpose of this bill is to provide a framework for energy self-sufficiency for Hawaii by:

- (1) Increasing the renewable energy technologies income tax credit for certain solar-thermal, wind-powered, and photovoltaic energy systems and removing the tax credit's January 1, 2008, sunset date;
- (2) Authorizing the issuance of general obligation bonds for a pilot project to install photovoltaic systems at public schools on the islands of Oahu, Hawaii, Maui, and Kauai;
- (3) Promoting the use of green building practices by requiring each county agency that issues building, construction, or development-related permits to establish a procedure for priority processing of permit applications for construction projects incorporating Leadership in Energy and Environmental Design building standards;
- (4) Authorizing the issuance of general obligation bonds to fund energy efficiency for state facilities, vehicles, and equipment; and
- (5) Establishing the pay as you save pilot project to provide a financing mechanism to make purchases of residential solar hot water heater systems more affordable.

The Association of Insurance and Financial Advisors, Hawaii Electric Company, Hawaii Electric Light Company, Maui Electric Company, Rocky Mountain Institute, Honeywell Utility Solutions, and Sierra Club, Hawaii Chapter, supported this bill. The Hawaii Energy Policy Forum supported this measure in part. The Department of Education, Hawaii Renewable Energy Alliance, Honolulu Seawater Air Conditioning, LLC, and Zero Emissions Leasing, LLC, supported this bill and offered amendments. The Consumer Advocate, Department of Taxation, Department of Accounting and General Services, and the Gas Company supported the intent of this measure. The Public Utilities Commission, Department of Business, Economic Development, and Tourism, Inter-Island Solar Supply, Hawaii Solar Energy Association, American Chemistry Council, American Forest and Paper Association, R&R Solar Supply, and the Tax Foundation of Hawaii submitted comments.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2175, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Karamatsu and Sonson.

**SCRep. 535-06 Consumer Protection & Commerce on H.B. No. 2401**

The purpose of this bill is to ensure the health and safety of all patients by:

- (1) Prohibiting medical health insurers from excluding coverage for injuries sustained by insured persons as a result of intoxication from alcohol or narcotics; and
- (2) Appropriating funds to establish a pilot "Screening, Briefing, Intervention, Referral, and Treatment" program in Hawaii.

The Office of the Lieutenant Governor, Department of the Attorney General, Department of Commerce and Consumer Affairs, Department of Human Services, Mothers Against Drunk Driving Hawaii, Hawaii Psychiatric Medical Association, Hawaii Substance Abuse Coalition, and a concerned individual testified in support of this bill. The Department of Health and University of Hawaii supported the intent of this measure. The Hawaii Medical Service Association and American Family Life Assurance Company of Columbus offered comments.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2401, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Karamatsu and Sonson.

**SCRep. 536-06 Consumer Protection & Commerce on H.B. No. 2694**

The purpose of this bill is to improve Hawaii's workers' compensation system by changing the reimbursement rate for medical services under the State Workers' Compensation Law to an unspecific percentage of the Medicare Resource Based Relative Value Scale System rates.

The Hawaii Chapter, American Physical Therapy Association and Hawaii State Chiropractic Association testified in support of this bill. Kaiser Permanente supported this measure with amendments. The Hawaii Insurers Council opposed this measure. The Department of Human Resources Development, Department of Labor and Industrial Relations, Hawaii Medical Association, Hawaii Employers' Mutual Insurance Company, Inc., and ILWU Local 142 provided comments.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2694, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Karamatsu and Sonson.

**SCRep. 537-06 Consumer Protection & Commerce on H.B. No. 2695**

The purpose of this bill is to improve the workers' compensation system by requiring the Hawaii Employers' Mutual Insurance Company (HEMIC) to provide a workers' compensation plan that uses a coordinated system of care model to provide medical and rehabilitation services to injured employees.

ILWU Local 142 and Kaiser Permanente testified in support of this bill. HEMIC supported the intent of this measure. The Hawaii Chapter, American Physical Therapy Association and a concerned individual opposed this measure. The Department of Labor and Industrial Relations offered comments.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2695 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Karamatsu and Sonson.

**SCRep. 538-06 Consumer Protection & Commerce on H.B. No. 3129**

The purpose of this bill is to encourage taxpayers to purchase long-term care insurance by:

- (1) Providing individual taxpayers and employers with a tax credit for long-term care insurance premiums; and
- (2) Requiring the Department of Taxation (DOTAX), in cooperation with the Department of Commerce and Consumer Affairs, to report annually to the Legislature on the number of taxpayers claiming the credits and the cost of the credits to the State.

The Maui County Office On Aging, American Council of Life Insurers, Healthcare Association of Hawaii, Chamber of Commerce of Hawaii, National Association of Insurance and Financial Advisors, and State Farm Mutual Automobile Insurance Company supported this bill. DOTAX supported the intent of this measure. The Tax Foundation of Hawaii offered comments on this bill.

Your Committee finds that long-term care has become increasingly expensive. This bill helps alleviate the financial strain put on middle-income households by providing some tax relief to these individuals, and incentives for employers to purchase long-term care insurance for their employees.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3129 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Karamatsu and Sonson.

**SCRep. 539-06 Consumer Protection & Commerce on H.B. No. 2244**

The purpose of this bill is to authorize motor vehicle lessors to visibly pass on to the lessee, third party concession fees where the third party is an entity other than the Department of Transportation.

Cendant Car Rental Group, Inc., and the Hertz Corporation testified in support of this bill. The Department of Commerce and Consumer Affairs opposed this bill.

Currently, motor vehicle lessors at Hawaii airports are able to recover concession fees. Your Committee has concerns about the impact if lessors at hotel rental car locations are allowed to pass on concession fees to lessees.

In light of these concerns, your Committee has changed the effective date of this bill to July 1, 2050, to facilitate further discussion. Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2244, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2244, H.D. 1.

Signed by all members of the Committee except Representatives Karamatsu and Sonson.

**SCRep. 540-06 Consumer Protection & Commerce on H.B. No. 2717**

The purpose of this bill is to create a Public Utilities Selection Commission to select individuals to serve on the Public Utilities Commission (PUC).

No testimony was submitted on this bill.

Your Committee finds that a selection commission would serve a useful purpose by enabling PUC members to be selected in a manner that prevents undue outside influence. Accordingly, your Committee recommends that discussion continue on this measure.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2717 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Karamatsu and Sonson.  
(Representatives Marumoto and Stonebraker voted no.)

**SCRep. 541-06 Consumer Protection & Commerce on H.B. No. 1836**

The purpose of this bill is to reduce animal overpopulation, especially in the rural areas of Hawaii, by allowing out-of-state veterinarians who are licensed in good standing by another state to obtain a temporary veterinary license to perform veterinary services in Hawaii.

A member of the Hawaii County Council, the Executive Director of the County of Hawaii, and numerous other concerned individuals testified in support of this bill. The Hawaiian Humane Society supported the intent of the bill. The Board of Veterinary Examiners opposed the measure.

Your Committee has amended this bill after consulting with various stakeholders. As amended, this bill:

- (1) Allows veterinarians licensed in good standing in another state to obtain a temporary permit to practice veterinary medicine;
- (2) Limits the veterinary services that a permit holder may perform; and
- (3) Requires services under a permit to be performed in conjunction with a non-profit organization or government agency providing animal management services.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1836, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1836, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Karamatsu and Sonson.

**SCRep. 542-06 Consumer Protection & Commerce on H.B. No. 2323**

The purpose of this bill is to protect consumers from the high cost of insurance fraud by expanding the authority of the Department of Commerce and Consumer Affairs (DCCA) Insurance Fraud Investigations Unit to encompass the investigation and prosecution of insurance fraud relating to all lines of insurance other than workers' compensation insurance.

The Department of Commerce and Consumer Affairs and American Council of Life Insurers supported this measure. The Hawaiian Independent Insurance Agents Association, National Association of Insurance and Financial Advisors, State Farm Insurance, Hawaii Association of Health Plans, Hawaii Insurers Council, and Hawaii Medical Service Association supported the intent of the measure. Kaiser Permanente opposed the bill. The Consumers Lawyers of Hawaii submitted comments.



Your Committee, while in agreement with the intent of the bill, has adopted recommendations to amend the current bill to reflect the consensus language found in H.B. No. 48, H.D. 1, which was introduced in 2005.

As amended, this bill expands the authority of the DCCA Insurance Fraud Investigations Unit to encompass the investigation and prosecution of insurance fraud relating to all lines of insurance, including workers' compensation insurance.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2323, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2323, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 543-06 Housing/Human Services on H.B. No. 2065**

The purpose of this bill is to assist individuals in need of affordable housing by:

- (1) Allowing elders living in public housing to take in a grandchild for the purpose of providing care to the child;
- (2) Requiring that five percent of state low-income public housing units be set aside for grandparents who are the primary caregiver for one or more of their grandchildren;
- (3) Appropriating funds for the repair and maintenance of public housing projects;
- (4) Appropriating funds for design and construction of new transitional shelters, and repair and maintenance of existing transitional shelters;
- (5) Appropriating funds for support services for homeless shelters;
- (6) Appropriating funds for the Shelter Plus Care Program;
- (7) Appropriating funds for the Housing Placement Program;
- (8) Appropriating funds for Habitat for Humanity's Homeownership Project;
- (9) Appropriating \$30,000,000 for deposit into the Rental Housing Trust Fund;
- (10) Authorizing the issuance of general obligation bonds for the development of affordable housing;
- (11) Allowing recipients of public assistance to be eligible for the State Rent Supplement Program (Supplement Program);
- (12) Adjusting the Supplement Program payment; and
- (13) Modifying the composition of:
  - (A) The Hawaii Public Housing Authority (HPHA) Board by adding an advocate for the homeless; and
  - (B) The Hawaii Housing Finance and Development Administration Board by adding an advocate for low-income individuals and an advocate for the homeless.

The State Council on Developmental Disabilities, Na Tutu, Grandparents Raising Grandchildren, Land Use Research Foundation, Hawaii Family Forum, Hawaii Catholic Conference, Partners in Care, Blueprint for Change, and several concerned individuals testified in support of this bill. The City and County of Honolulu Department of Community Services and Office of Hawaiian Affairs supported the intent of this measure. The Housing and Community Development Corporation of Hawaii, Hawaii Association of Realtors, Catholic Charities Hawaii, Hawaii Centers for Independent Living, and a concerned citizen offered comments.

Your Committees received compelling testimony on the merits of this measure, including suggestions for improvement. Your Committees encourage stakeholders and other committees to engage in further discussions with regard to the components of this measure, and in particular, the provisions allowing grandparents in public housing to take in their grandchildren.

Accordingly, your Committees have amended this bill by:

- (1) Applying provisions allowing grandparents in public housing to take in grandchildren only to elders living in public housing on the effective date of this Act;
- (2) Defining children as those 12 years-of-age or under;
- (3) Modifying the HPHA Board to include a person with a disability or advocate for persons with disabilities; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Housing and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2065, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2065, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Stonebraker.

**SCRep. 544-06 Housing on H.B. No. 2066**

The purpose of this bill is to assist the homeless by:

- (1) Requiring the Housing and Community Development Corporation of Hawaii (HCDCH) to coordinate with the counties to identify locations to be used for temporary emergency shelters;
- (2) Requiring the counties to locate, designate, and maintain those areas; and
- (3) Appropriating funds to the counties.

The Affordable Housing and Homeless Alliance, Office of Hawaiian Affairs, Catholic Charities Hawaii, and many concerned individuals testified in support of this bill. Blueprint for Change supported the intent of this measure. HCDCH and the Disability and Communication Access Board offered comments.

Your Committee heard compelling testimony from organizations that are working to establish mobile temporary shelters and is encouraged by these efforts. Because your Committee heard testimony regarding the efforts taking place in counties outside of the City and County of Honolulu, as well as concerns that the greatest need is on Oahu, your Committee encourages further discussion on whether this measure should be limited to Oahu.

Accordingly, your Committee has amended this bill by:

- (1) Requiring HCDCH to report annually to the Legislature on the activities and outcomes with regard to providing temporary emergency shelter to the homeless; and
- (2) Making other technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2066, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2066, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 545-06 Housing on H.B. No. 2248**

The purpose of this bill is to assist displaced Kalapana families by:

- (1) Clarifying the purposes of the Kikala-Keokea Housing Revolving Fund (Revolving Fund); and
- (2) Authorizing the issuance of general obligation bonds and appropriating funds to the Revolving Fund.

The Office of Hawaiian Affairs and Hawaii County Economic Opportunity Council testified in support of this bill. The Housing and Community Development Corporation of Hawaii supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Deleting the provisions specifying who may qualify for a low-interest loan from the Revolving Fund;
- (2) Changing the authorization of general obligation bonds to an appropriation of general revenues;
- (3) Changing the expending agency to the Hawaii Housing Finance and Development Administration; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2248, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2248, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 546-06 Housing on H.B. No. 2989**

The purpose of this bill is to promote the development of affordable housing by establishing a general excise tax credit for the construction of affordable housing.

The Land Use Research Foundation and a concerned individual testified in support of this bill. The Housing and Community Development Corporation of Hawaii, City and County of Honolulu Department of Community Services, and Blueprint for Change supported the intent of this measure. The Department of Taxation opposed this bill. The Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by deleting its content and replacing it with provisions that:

- (1) Establish an income tax credit in the amount of 4.5 percent of the total cost of the development of the affordable units in an eligible project, not including the cost of land; and
- (2) Require at least 50 percent of the units to be affordable to households with incomes at or below 140 percent of the median family income.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2989, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2989, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 547-06      Transportation on H.B. No. 1342**

The purpose of this bill is to encourage motorcyclists and motor scooter operators to obtain insurance and complete the motorcycle education course by amending the law pertaining to motorcycle and motor scooter liability insurance coverage. Specifically, this bill will allow persons with a valid motorcycle or motor scooter learner's permit to obtain coverage for their vehicle provided that they have also registered to take a Department of Transportation (DOT)-approved motorcycle education course.

The State Department of Defense, Chamber of Commerce of Hawaii, Motorcycle Safety Foundation, Street Bikers United Hawaii, Street Bikers United-Oahu Chapter, Street Bikers United-Maui Chapter, Harley-Davidson Motor Company, Honda North America, Inc., Professional Insurance Agents, Inc., Navy Region Hawaii Motorcycle Program Coordinator at Pearl Harbor, and numerous concerned individuals testified in support of this bill. The Hawaii Motorcycle Dealers Association and other concerned individuals opposed this measure.

Strict regulations and guidelines, including safety regulations, have been established for driving motorcycles and motor scooters on United States (U.S.) military installations. Military drivers of motorcycles and motor scooters are required to pass a U.S. Department of Defense (DOD) motorcycling safety course that is widely-recognized and accepted in every state. However, Hawaii does not recognize these safety courses as sufficient. Since Hawaii requires motorcyclists and motor scooter riders to have a learner's permit and complete a DOT-approved motorcycle education course or have a license to qualify for liability insurance coverage, many military motorcycle riders with learner's permits cannot get liability coverage unless they take the DOT-approved course. Those who do take the DOT-approved course to qualify for liability coverage often have already taken the DOD-approved course. Your Committee finds that requiring military personnel to take a motorcycle safety course twice is not necessary, especially since the DOD-approved course has been cited as being as good as, if not better than, the DOT-approved course.

Your Committee finds that this bill will contribute to safety on the roadways and ensure that motorcycle and motor scooter operators receive liability insurance protection.

Your Committee also notes that since the examiner of drivers can currently waive the motorcycle or motor scooter road test for individuals who have taken and passed a DOT-approved course, a similar waiver should be given to those who have passed a DOD-approved course. Accordingly, your Committee has amended this measure by:

- (1) Inserting language allowing the examiner of drivers to waive the actual demonstration of the ability to operate a motorcycle or motor scooter for any person who furnishes satisfactory evidence that the person has completed a DOD-approved motorcycle education course;
- (2) Changing the effective date to July 1, 2006; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1342, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1342, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 548-06      Transportation on H.B. No. 2452**

The purpose of this bill is to increase safety in school buses by:

- (1) Requiring all school buses currently used to carry public or private elementary school students, and all school buses contracted to be used by the State to transport elementary school students, to be equipped with seat belt assemblies for all passenger seats;
- (2) Requiring students to be restrained by seat belt assemblies in a school bus carrying elementary school students operating on any public highway;
- (3) Creating civil penalties for failure to comply with the school bus seat belt equipment requirements, or for failure to comply with seat belt use on a school bus;
- (4) Prohibiting insurers from considering civil violations as traffic violations for purposes of establishing motor vehicle liability insurance rates or determining the insurability of a driver; and
- (5) Requiring all school buses purchased by the State after July 1, 2006, to be fitted with seat belt assemblies.

The Department of Transportation supported the intent of this bill. The Department of Education supported the intent of this bill but with serious concerns. The Hawaii Association of Independent Schools, Hawaii Transportation Association, Roberts Hawaii School Bus Inc., Hawaii School Bus Association, and Gomes School Bus Service, Ltd., opposed this bill.

While your Committee understands the need to protect the health and safety of Hawaii's children as they ride to and from school in school buses, your Committee is also aware that studies and crash test data have shown that seat belt use on a school bus may not offer added protection in a crash. This is mainly due to the fact that the structural design of school buses includes "compartmentalization design"--protocols in the interior of the bus that contain strong, closely-spaced seats with energy-absorbing backs, which form a protective envelope for a child. Although your Committee notes that the fatality rate for school buses is only .2 fatalities for every 100 million vehicle miles traveled as compared

to 1.5 fatalities per 100 million vehicle miles traveled for cars, the protection of our children is an important issue that deserves further consideration.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2452 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 549-06      Transportation on H.B. No. 2737**

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

- (1) Resolving the issue of ownership of the Honopou Road and Honopou Bridge; and
- (2) Determining the costs of bringing the Honopou Bridge up to standards that will allow access to Honopou District residents by the Maui County Fire Department.

The Mayor of the County of Maui testified in support of the bill. The Department of Transportation supported the intent of the measure. The Department of the Attorney General (AG) opposed the bill.

A jurisdictional dispute currently exists over ownership of the Honopou Road and Honopou Bridge in the County of Maui. This dispute between the County of Maui and the State has resulted in a lack of road and bridge maintenance, repair, and improvement. Your Committee finds that this poses a safety hazard as emergency crews are unwilling to use the road or cross the bridge to respond to emergencies in the Honopou District out of fear for their own safety.

However, your Committee understands the concerns raised by the AG that the AG lacks the authority to resolve issues of highway ownership and jurisdictional disputes and that this matter is better resolved by the courts. Nevertheless, regarding such an important public health and safety issue, your Committee finds that the AG can assist in resolving this matter. Accordingly, your Committee has amended this bill by:

- (1) Clarifying that the AG is required only to assist in resolving the jurisdictional dispute over ownership of Honopou Road and Honopou Bridge;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2737, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2737, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 550-06      Transportation on H.B. No. 2873**

The purpose of this bill is to provide funding for inspection and eradication efforts concerning invasive species, by establishing a Hawaii Invasive Species Special Fund, to be funded by:

- (1) An unspecified percentage of the funds collected from airport landing fees; and
- (2) An unspecified percentage of the funds paid into the Harbor Special Fund.

The Hawaii Crop Improvement Association, C&H Farms, The Nature Conservancy, Pineapple Growers Association of Hawaii, and Sierra Club, Hawaii Chapter, testified in support of this bill. The Maui County Farm Bureau and Airlines Committee of Hawaii supported the intent of this measure. The Department of Transportation, Alexander & Baldwin, Inc., Horizon Lines, LLC, and Young Brothers, Limited, opposed this measure. The Department of Agriculture, Department of Land and Natural Resources, and Hawaii Farm Bureau Federation offered comments.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2873 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 551-06      Transportation on H.B. No. 418**

The purpose of this bill is to alleviate traffic congestion along the Waianae Coast by authorizing the issuance of general obligation bonds to add and operate a contra-flow traffic lane on Farrington Highway in Maili and Nanakuli, Oahu.

The Honolulu Police Department, Hawaii Transportation Association, Superstar Hawaii Transit Service, and many concerned individuals testified in support of this bill. The Department of Transportation opposed this measure. A concerned individual offered comments.

Your Committee finds that contra-flow lanes have been used for some time and have proven to be an effective alternative to constructing additional traffic lanes. Because access to Maili and Nanakuli is limited to Farrington Highway, making the busy thoroughfare indispensable, your Committee believes that adding a contra-flow lane would help alleviate the traffic problem in this area.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 418 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 552-06      Transportation on H.B. No. 2267**

The purpose of this bill is to authorize the Department of Accounting and General Services (DAGS) to implement payroll deductions for state employees who wish to buy monthly bus passes from the City and County of Honolulu on a continuing basis.

Oahu Transit Services, Hawaii Government Employees Association, Hawaii State Teachers Association, and a concerned individual testified in support of this bill. DAGS opposed this measure.

Your Committee finds that providing state employees with payroll deductions to buy monthly bus passes would encourage more bus ridership, and therefore be a means of relieving traffic congestion on Hawaii's roads.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2267 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 553-06      Transportation on H.B. No. 1835**

The purpose of this bill is to provide an environmentally friendly strategy for the lighting of Hawaii's airports, harbors, streets, and highways by requiring the Department of Transportation (DOT), to the extent practicable, to:

- (1) Comply with county outdoor lighting ordinances, if they are more stringent; and
- (2) Provide fully shielded lens fixtures on all outdoor lighting to direct the lighting downward.

The University of Hawaii and Sierra Club, Hawaii Chapter testified in support of this bill. DOT opposed this measure.

Your Committee finds that the use of fully shielded lighting fixtures will conserve energy and resources while maintaining appropriate outdoor lighting suitable for safety, utility, and security. These types of fixtures are also environmentally friendly.

While your Committee notes that stringent standards and requirements of applicable county ordinances already exist in the counties of Maui and Hawaii to protect the functions of the observatories atop Haleakala and Mauna Kea, light from airports and harbors, as well as light from Oahu, is threatening the ability of the observatories to study faint objects in the night sky.

Your Committee is also concerned that in oral testimony it was stated that about 50 percent of the H-3 freeway uses fully shielded light fixtures. However, in testimony on a previous bill (H.B. No. 2264) DOT stated that all of the light fixtures on H-3 were fully shielded. Your Committee respectfully requests that DOT provide information to the Committee regarding how many lights on the H-3 Freeway actually meet the fully shielded qualifications.

Although your Committee appreciates the fact that the installation of fully shielded lights has implications, this matter deserves further discussion. As such, your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2050, to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1835, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1835, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 554-06      Transportation on H.B. No. 1880**

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

- (1) Removing Piers 1 and 2 of Honolulu Harbor from the Kakaako Community Development District; and
- (2) Granting jurisdiction and administrative authority over Piers 1 and 2 to the Department of Transportation (DOT).

Matson Navigation Company, Alexander and Baldwin, Inc., Young Brothers Limited, Maritime Consultants of the Pacific, Hawaii Harbor Users Group, Horizon Lines, LLC, Paradise Cruise, Ltd., and ILWU Local 142 testified in support of this bill. DOT, Department of Business, Economic Development, and Tourism, Hawaii Community Development Authority (HCDA) and the Chamber of Commerce of Hawaii testified in support of the intent of this measure.

Hawaii is dependent upon its harbors for the movement of cargo between islands and the rest of the world. Honolulu Harbor serves as the main lifeline of cargo and commerce for the State of Hawaii. Your Committee finds that cargo shipping space in Honolulu Harbor is at a premium and that the area that encompasses Piers 1 and 2 is nearing its maximum cargo capacity. New harbor space needs to be found and

present cargo space needs to be conserved. Hawaii's economic sustainability is dependent upon the effectiveness and efficiency of its harbors system and that by transferring jurisdiction of Piers 1 and 2 from HCDA to DOT, the efficacy of this system can be better managed.

However, Your Committee finds that the current description of the parcels of land to be transferred is vague. Accordingly, your Committee has amended this bill by:

- (1) Specifying that the land that DOT will have jurisdiction and administrative authority over includes:
  - (A) Lot 3 of the Forrest Avenue subdivision and parcels 2, 3-A, A, and B as shown on the map filed with the Bureau of Conveyances of the State of Hawaii, as file plan 2335; and
  - (B) Lots A-1 and A-2, as shown on map 2, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with land court application 1328;
- (2) Clarifying that the above-mentioned parcels shall be deleted from the Kakaako Community Development District and conveyed to the Department of Land and Natural Resources to be set aside for DOT and the Foreign Trade Zone Division of DBEDT to ensure continued maritime and foreign commerce use of the specified lands; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1880, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1880, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 555-06      Transportation on H.B. No. 2130**

The purpose of this bill is to protect Hawaii's harbors by:

- (1) Establishing a Harbor Land Commission (Commission) to identify and designate lands that are important for present and future harbor operations; and
- (2) Restrict the use of lands that are designated as important harbor lands to maritime use.

ILWU Local 142, Horizon Lines, LLC, Norwegian Cruise Line, and NCL America testified in support of this bill. Alexander and Baldwin, Inc. and Young Brothers, Limited supported the intent of this measure. The Department of Transportation did not support this bill.

Hawaii relies upon its harbors for the movement of cargo between the islands and to and from the rest of the world. Honolulu Harbor serves as the main lifeline of cargo and commerce for the State of Hawaii. Your Committee finds that harbor lands are a finite resource and that cargo space at Hawaii's harbors is at a premium. New harbor space needs to be found and present cargo space needs to be conserved. Hawaii's economic sustainability depends upon the effectiveness and efficiency of its harbor system, and the establishment of the Commission will help ensure that this valuable resource and economic lifeline is protected.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2050, to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2130, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2130, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 556-06      Transportation on H.B. No. 2160**

The purpose of this bill is to increase cargo space for Honolulu Harbor by directing the Department of Transportation (DOT) to:

- (1) Enter into negotiations with Horizon Lines for a special facility lease of land at the Kapalama Military Reservation (KMR) for a new container yard; and
- (2) Authorize the issuance of special facility revenue bonds for the development and equipping of a new cargo facility at KMR.

The Department of the Attorney General and DOT opposed this bill.

Your Committee finds that harbor lands are a finite resource and that cargo shipping space in Honolulu Harbor is near capacity. Since Honolulu Harbor serves as the main lifeline of cargo and commerce for the State, and Hawaii is dependent upon its harbors for the movement of cargo between islands and the rest of the world, it is imperative that new container space be developed.

While KMR is an area where a new container yard and cargo facility can be developed, it will take a large investment to make badly-needed improvements to Honolulu Harbor. By executing a special facility lease with Horizon Lines, LLC, and authorizing DOT to issue special facility revenue bonds, improvements to Honolulu Harbor can be expedited.

However, your Committee understands that there may be legal concerns regarding this bill. Accordingly, your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2160, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2160, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 557-06      Transportation on H.B. No. 2746**

The purpose of this bill is to assist the airline industry by exempting aviation fuel from the general excise, use, and fuel taxes, under certain circumstances.

Aloha Airlines and Hawaiian Airlines testified in support of this bill. The Department of Transportation opposed this measure. The Department of Taxation and Tax Foundation of Hawaii submitted comments.

The airline industry has seen difficult economic times over the last several years, with many airlines filing for Chapter 11 Bankruptcy (Chapter 11). Only recently have some of these airlines emerged from Chapter 11 and the high costs of fuel continue to take a toll on the industry. Providing assistance to this industry will have a profound economic impact on this vital service.

However, your Committee finds that airlines already experience an aircraft fuel tax credit and that providing an exemption to all aviation fuel from general excise and use taxes may seriously impact state revenue. Accordingly, your Committee has amended this bill by:

- (1) Restricting the exemption of taxes on aviation fuel to the general excise tax and use tax and eliminating the exemption to the fuel tax;
- (2) Restricting these tax exemptions to aviation fuel purchased or used for inter-island and intra-island air transportation by common carriers;
- (3) Inserting a sunset date of June 30, 2008; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2746, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2746, H.D. 2, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 558-06      Transportation/Judiciary on H.B. No. 1882**

The purpose of this bill is to alleviate traffic congestion by allowing the Department of Transportation (DOT) to issue permits to businesses to use high occupancy vehicle (HOV) lanes during peak hours regardless of the number of vehicle occupants.

The Hawaii Transportation Association testified in support of this bill. DOT opposed this measure.

Your Committees note that questions were raised regarding whether the fees imposed under this bill were to be deposited into the general fund or State Highway Fund. Accordingly, your Committees have amended this bill by:

- (1) Clarifying that the fees imposed under this measure for permits to operate in HOV lanes during peak hours shall be deposited into the State Highway Fund; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Transportation and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1882, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1882, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanohe, Karamatsu, B and Oshiro.  
(Representative Sonson voted no.)

**SCRep. 559-06      Labor & Public Employment on H.B. No. 2624**

The purpose of this bill is to assist workers in increasing their employment skills and assist businesses in providing employment training by requiring a percentage of unemployment insurance (UI) assessments to be credited to the State's Employment and Training Fund (ETF).

The ILWU Local 142 testified in support of this bill. The Department of Labor and Industrial Relations (DLIR) testified in opposition to this measure. The Department of the Attorney General (AG) submitted comments.

The ETF was established to help Hawaii businesses become more competitive by allowing workers and businesses the means by which workers can be trained to upgrade or increase their job skills, which would create a more efficient and effective workforce. Requiring a percentage of UI assessments to be deposited in the ETF makes sense, especially since the Unemployment Compensation Fund is currently well funded.

However, your Committee recognizes concerns raised by DLIR and the AG as to whether assigning a portion of the UI assessments to the ETF conflicts with federal law. Accordingly, your Committee has amended this measure by deleting its contents and inserting language that:

- (1) Removes the maximum age restriction on the unemployment insurance contribution exemption for children who are employed by a parent; and
- (2) Lowers the maximum taxable wage base for contributions to the UI Fund to the federal minimum of \$7,000 for the 2006 and 2007 calendar years.

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2624, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2624, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 560-06 Labor & Public Employment on H.B. No. 2678**

The purpose of this bill is to assist public employees with incurable and debilitating diseases and approved for ordinary disability benefits to retire at a time of their choosing rather than the established 90-day deadline established through administrative rules.

The Employees Association of the City and County of Honolulu, Hawaii Government Employees Association, Hawaii State Teachers Association, and numerous individuals testified in support of this bill. The Department of the Attorney General and Employees' Retirement System (ERS) submitted comments.

Currently, ERS administrative rules require a member to retire within 90 days after the member is notified of a favorable decision on the member's ordinary disability retirement application even though the employee may still be productive. Your Committee finds that many employees diagnosed with debilitating or incurable diseases often remain productive members of society who are willing to provide invaluable service to the community. These individuals should be allowed to continue to work until they are physically unable to do so.

Your Committee has amended this measure by:

- (1) Clarifying that a member whose application for a disability retirement allowance is approved by the ERS board while the member is still in service may terminate service and retire at any time following such approval; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2678, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2678, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 561-06 Housing/Water, Land, & Ocean Resources on H.B. No. 3202**

The purpose of this bill is to promote the development of affordable housing by authorizing the counties to adopt inclusionary requirements in residential housing developments. Among other things, counties that adopt an inclusionary zoning ordinance:

- (1) Are required to implement a requirement that at least 15 percent of the units be affordable rental units, unless the developer can prove undue hardship, and of those affordable units:
  - (a) 50 percent must be affordable to households earning 50 percent or less of the adjusted median family income (MFI); and
  - (b) 50 percent must be affordable to households earning between 50 and 80 percent of MFI;
- (2) Are required to implement an affordability requirement for projects where units are offered for sale as follows:
  - (a) For projects whose average sales price of a unit is affordable to households earning 80 percent or less of MFI, ten percent of the units must be affordable to households earning 50 percent or less of MFI;
  - (b) For projects whose average sales price of a unit is affordable to households earning 100 percent or less of MFI, 15 percent of the units must be affordable to households earning 80 percent or less of MFI;
  - (c) For projects whose average sales price of a unit is affordable to households earning 140 percent or less of MFI, 20 percent of the units must be affordable to households earning 100 percent or less of MFI;
  - (d) For projects whose average sales price of a unit is affordable to households earning above 140 percent of MFI, 20 percent of the units must be affordable to households earning 140 percent or less of MFI; and
  - (e) Projects that designate larger percentages of affordable units would qualify for an additional density bonus;



- (3) May consider alternative equivalent proposals and requests to accept in-lieu fees instead of meeting the inclusionary requirements; and
- (4) Are required to provide certain concessions and incentives and will have the flexibility to offer additional concessions or incentives if the project meets certain conditions.

Hawaii Reserves, Inc., and several concerned individuals testified in support of this bill. The City and County of Honolulu Department of Planning and Permitting opposed this measure. The Land Use Research Foundation of Hawaii offered comments.

Your Committees participated in a lengthy discussion with regard to the concept of inclusionary zoning and recognize that it is a controversial idea. Members of your Committees were involved in the activities of the Joint Legislative Housing and Homeless Task Force (Task Force) and are open to discussion of an entire spectrum of ideas to find solutions to Hawaii's homeless and affordable housing problem, regardless of how controversial the concepts may be.

One of the findings of the Task Force is that the counties need to be active in promoting the development of affordable housing within their individual counties. While some counties have proven their commitment to the development of affordable housing, others have not. Additionally, the requirements of each county differ and are sometimes inconsistent.

Your Committees recognize that this measure is a work-in-progress and are committed to working with stakeholders and other committees to improve this measure. Several possible amendments your Committees are open to discussing further include allowing self-certification to developers, and to sunset this measure in three years.

As affirmed by the records of votes of the members of your Committees on Housing and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3202 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Morita, Schatz and Meyer.  
(Representative Evans voted no.)

**SCRep. 562-06 Health on H.B. No. 2374**

The purpose of this bill is to appropriate emergency funding to cover expenses relating to the ongoing operation, services, and activities at the Hawaii state hospital, for community-based services, and for individuals already placed in community-based services.

This bill appropriates \$6,148,944 and \$4,724,703 for fiscal year 2005-2006 out of the mental health and substance abuse special fund and out of general revenues, respectively, to be used to sustain the ongoing operation, services, and activities for patients at the Hawaii state hospital, to provide community-based services necessary to reduce the census at the Hawaii state hospital, and to address expenses relating to those individuals who have already been placed in community-based services. The appropriated amounts are to be expended by the Department of Health.

Your Committee received testimony in support of this bill from the Department of Health, the Hawaii Disability Rights Center, the Hawaii Mental Health Alliance, and the Hawaii Psychiatric Medical Association.

Your Committee believes that the emergency appropriations in this measure are necessary, especially in order to comply with the requirements of the settlement agreement and subsequent orders in *United States v. State of Hawaii*, Civil Number 91-00137 (DAE-KSC).

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2374 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 563-06 Health on H.B. No. 2384**

The purpose of this measure is to appropriate \$1,000,000 in early intervention special fund moneys as an emergency appropriation for fiscal year 2005-2006 for the Department of Health's healthy start program.

The Department of Health testified in support of the measure and the Department of Human Services testified in support of its intent.

Your Committee finds that, while funds were appropriated for the 2005-2006 fiscal year during the regular legislative session of 2005, the Department of Health has a critical need for additional funds for the healthy start program. This need is due to a decrease in funds available for purchase-of-service programs for home visiting services conducted to support families at risk and ensure healthy and safe child development as required by both federal and state law.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2384 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 564-06 Health on H.B. No. 2126**

The purpose of this bill is to improve emergency service to the Leeward area by appropriating \$600,000 for a 24-hour, 7-days-a-week, rapid response emergency medical services unit for the Mililani/Mililani Mauka area.

The Emergency Services Department of the City and County of Honolulu, Mililani Neighborhood Board No. 25, and several concerned individuals supported this bill.

Your Committee has amended this bill by:

- (1) Extending the area of coverage to include Lower Mililani, Waipio Gentry, Waikele, Crestview, East Waipahu, Waiawa, and the Pearl City industrial area;
- (2) Changing the emergency service to a 16-hour-a-day, 7-days-a-week advanced life support emergency medical services ambulance unit;
- (3) Changing the appropriation amount to \$1 to encourage further discussion; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2126, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2126, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 565-06 Health on H.B. No. 2884**

The purpose of this bill is to ensure parity in emergency health care for residents and visitors of the Haiku region of Maui by providing twenty-four-hour advanced life support ambulance service.

The Mayor of Maui County and a concerned individual supported this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2884, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2884, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 566-06 Health on H.B. No. 3035**

The purpose of this measure is to appropriate general funds to assist Molokai General Hospital with its operating costs.

Your Committee finds that Molokai General Hospital is the only hospital on Molokai. Although it is a subsidiary of The Queen's Health Systems, the hospital has increasingly had to rely on the State, the County of Maui, and the federal government for financial support.

Your Committee received testimony in support of the measure from Molokai General Hospital, the Office of Hawaiian Affairs, and Healthcare Association of Hawaii. The Department of Health offered support of the measure with reservation.

Your Committee believes that an additional appropriation of \$100,000 for the hospital is necessary in order to pilot a crystal methamphetamine treatment program on the island and urges your Committee on Finance to consider such an amendment.

Your Committee has accordingly amended this measure by changing the appropriation amount to \$1 in order to facilitate continued discussion of the matter.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3035, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3035, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 567-06 Consumer Protection & Commerce/Judiciary on H.B. No. 3105**

The purpose of this bill is to provide enhanced service to mental health consumers by, among other things, prohibiting the Department of Human Services (DHS) from restricting a physician's ability to treat fee-for-service mental health consumers with psychotropic medications that have been approved and designated as safe and effective by the FDA and are considered appropriate, within the scope of the physician's practice, for the treatment of mental health consumers.

The Hawaii Psychiatric Medical Association and Hawaii Disability Rights Center supported this bill. DHS supported the intent of this bill.

Although your Committees believe that this measure will improve access to necessary medications, further discussion on this matter is warranted.

Accordingly, your Committees have amended this bill by:

- (1) Changing its effective date to July 1, 2006, to promote further discussion; and

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

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3105, H.D. 1, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 3105, H.D. 2.

Signed by all members of the Committee except Representatives Ito, Karamatsu, Morita, Schatz and Sonson.

**SCRep. 568-06 Consumer Protection & Commerce on H.B. No. 2647**

The purpose of this bill is to improve the health and safety of public employees by establishing a coordinated care system option to provide medical and rehabilitative services for workers' compensation cases involving public employees.

Kaiser Permanente testified in support of this bill. The Department of Human Resources Development supported the intent of this measure. The Hawaii Chapter, American Physical Therapy Association opposed this measure. The Department of Labor and Industrial Relations, Hawaii State Chiropractic Association, ILWU Local 142, and American Accreditation Healthcare Commission/URAC offered comments.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2647, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Karamatsu and Sonson.

**SCRep. 569-06 Consumer Protection & Commerce on H.B. No. 2606**

The purpose of this bill is to streamline the procedure for adjusting a charge when an insurer:

- (1) Receives a demand from a medical service provider for payment under a motor vehicle policy's personal injury protection provisions; and
- (2) Finds that the billing exceeds the maximum charge permitted by law.

The Hawaii Insurers Council and State Farm Insurance Companies supported this bill. Consumer Lawyers of Hawaii opposed this measure. The Department of Commerce and Consumer Affairs commented on this bill.

Your Committee finds that in 1992, the Legislature reformed the motor vehicle insurance law. One of the reforms was the enactment of a medical fee schedule specifying the amount that can be billed for medical services under the personal injury protection coverage.

When the amount charged by a provider exceeds the cap under the medical fee schedule, insurers adjust the payment to the provider. As the result of a Hawaii Supreme Court ruling, insurers adjusting payments must now issue what is called a "statement of denial of benefits" on all payments less than the amount billed by medical providers. The statement of denial of benefits is sent to both the provider and the insured, and this has resulted in increased paperwork for insurers, and has caused insureds undue concern that the adjustment is a complete denial of benefits.

This bill would make clear that these adjustments are an acceptance of treatment and a dispute over the amount of the charge, and not a denial of benefits.

Your Committee has amended this bill to clarify that:

- (1) An insurer adjusting a claim must pay what the insurer believes is the amount owed and furnish a written explanation of any adjustments to the provider and claimant upon request, at no charge; and
- (2) The provider, claimant, or insurer may submit any dispute involving the charge amount, correct fee, or procedure code to the Commissioner, arbitration, or a court of competent jurisdiction.

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2606, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2606, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Karamatsu and Sonson.

**SCRep. 570-06 Consumer Protection & Commerce on H.B. No. 3230**

The purpose of this bill is to improve the health, safety, and welfare of the general public through the adoption of statewide model building codes and standards.

The Hawaii Insurers Council and State Farm Insurance Companies supported this bill. The Department of Accounting and General Services (DAGS), Department of Defense, Structural Engineers Association of Hawaii, Hawaii Financial Services Association, Hawaii Association of Realtors, and a concerned citizen supported the intent of this measure. The Plumbing & Mechanical Contractors Association of Hawaii, Plumbers and Fitters Union Local 675, and a concerned citizen opposed this bill. The University of Hawaii Environmental Center provided comments.

Your Committee has adopted the recommendation to amend this bill by inserting language that:

- (1) Creates a State Building Code Commission (Commission);
- (2) Gives the Commission responsibility for establishing a statewide building code (state code) by December 31, 2007, based on the latest editions of the International Building, Residential, Mechanical, and Plumbing Codes and other nationally published codes for one- and two-family residential construction;
- (3) Allows the Commission to make changes to the international and national codes that are to be adopted as the state code;
- (4) Provides that if the Commission does not adopt a state code by the deadline, the state code shall consist of the latest editions of the International Building, Residential, Mechanical, and Plumbing Codes;
- (5) Provides that the state code that is adopted or automatically enacted is the building code for each county and supersedes county codes;
- (6) Allows the counties, before and after adoption of the state code, to petition the Commission for exemptions to the state code;
- (6) Requires the Commission to provide educational and technical training and administrative assistance services and grants to the state and county to implement and enforce the state and county codes; and
- (7) Appropriates funds to implement the Act.

Your Committee believes these amendments are in general compliance with the recommendations submitted by DAGS and the Uniform Statewide Building Code Task Force.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3230, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3230, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Karamatsu and Sonson.

**SCRep. 571-06 Water, Land, & Ocean Resources/Hawaiian Affairs on H.B. No. 3047**

The purpose of this bill is to protect sensitive and cultural resources by requiring the Department of Land and Natural Resources (DLNR) to map inadvertently discovered burial sites using a global positioning system device and record the location of the burial site and the site to which the remains are reinterred, if any.

The Office of Hawaiian Affairs testified in support of this bill. DLNR supported the intent of this measure.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3047 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Harbin, Schatz and Finnegan.

**SCRep. 572-06 Water, Land, & Ocean Resources on H.B. No. 2555**

The purpose of this bill as received is to facilitate the implementation of the Community Development Plan for the Kakaako Community Development District (District) by authorizing the Hawaii Community Development Authority (HCDA) to issue revenue bonds in an unspecified sum; provided that the bond revenues are:

- (1) For the implementation of the community development plans for the District;
- (2) Expended for that portion of the District that is makai of Ala Moana Boulevard (Kakaako Makai); and
- (3) Not used to fund any residential dwelling projects.

Concerned over the tremendous public response to the contemplated action of HCDA to use the public lands in Kakaako Makai for residential purposes, your Committee prepared and circulated a proposed draft for public discussion and comment.

Among other things, the proposed draft:

- (1) Established guidance policies for HCDA that includes:
  - (A) The prohibition of selling the fee interest in the public lands;
  - (B) Public park space requirements;
  - (C) Foot-print and height limitations, affordable unit requirements, and buy-back provisions, for residential leasehold units; and
  - (D) Foot-print and height limitations, and permitted uses for commercial units;
- (2) Required HCDA to report to the Legislature in the event Alexander and Baldwin Properties, Inc., withdraws as the selected developer or causes the selection of a new developer; and

- (3) Specified that the revenue bonds:
- (A) Be expended to implement approved plans for that portion of the District that is makai of Ala Moana Boulevard, between Kewalo Basin and the University of Hawaii medical school; and
  - (B) Be issued only on the condition that the income from the project is insufficient to cover the project cost and only to the extent of the shortfall.

HCDA and several concerned individuals supported the proposed draft. Friends of Kewalo Basin Park Association, Na Leo Pohai, Hui o Malama Kakaako Paka, REDWINGS Memorial Events Committee, and several individuals supported the proposed draft with amendments. The Hawaii Children's Discovery Center and several individuals commented on the proposed draft.

Your Committee finds that the disposition of the fee interest in any public lands must be carefully scrutinized to ensure that such disposition meets important public needs and goals. Your Committee further finds that protecting and enhancing our scarce natural resources, including our shoreline, open space, and scenic resources are important public goals. Your Committee recognizes that open public space is scarce and of imperative priority in the densely populated urban core of Honolulu.

With these considerations in mind, your Committee discussed the appropriateness of allowing residential projects in Kakaako Makai.

Your Committee recognizes the importance of proper planning and development of the District. Reviewing the historical development of the District, your Committee understands the perception that Kakaako Makai and Kakaako Mauka are separate areas; however, they are not separate, but make up the entirety of the District where people work, live, learn, and play. Kakaako Mauka with its existing highrise residential projects was designed to be the residential portion of the District, and Kakaako Makai was designed to be the learning and playing area of the District with open space and learning facilities, like parks and the University of Hawaii medical school.

Your Committee also recognizes the importance of protecting our unique and fragile environment and to properly manage our natural resources to encourage the beneficial use and enjoyment by our residents.

Further, your Committee recognizes the need for additional housing. Your Committee understands that the sale of leasehold residential projects will generate funds for the State that can be used to further develop the District and other public purposes, such as affordable housing within and outside of the District. Some of your Committee members harbor a strong belief that the State should utilize more of its lands to generate funds for such public purposes while still providing for required amenities including parks and open space. Further, residents living in Kakaako Makai may energize the area during the evening hours and contribute to the security of the area.

These issues and more relating to the appropriateness of residential projects in Kakaako Makai merits further discussion either through this bill or a legislative concurrent resolution now being considered for introduction.

After thoughtful consideration, your Committee has amended this bill by:

- (1) Prohibiting the sale of the fee interest in any public lands in the Kakaako Community Development District; and
- (2) Incorporating the provisions in the proposed draft relating to revenue bonds by:
  - (A) Requiring that bond revenues shall be expended to implement approved plans for that portion of the District that is makai of Ala Moana Boulevard, between Kewalo Basin and the University of Hawaii medical school; and
  - (B) Permitting the issuance of the revenue bonds only on the condition that the income from the project is insufficient to cover project costs and only to the extent of the shortfall; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2555, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2555, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 573-06 Economic Development & Business Concerns on H.B. No. 3036**

The purpose of this bill is to establish fair and consistent payment policies for all contractors involved in building projects by:

- (1) Requiring the payment certifiers, or individual in charge of making payments, to issue a certificate of completion following the completion of a materialman's or subcontractor's work; and
- (2) Requiring the owner or paying government agency to pay the subcontractor within 30 days of the issuance of the certificate of completion.

The International Union of Painters and Allied Trades District Council 50, Ironworkers Local Union 625 Stabilization Fund, Paradise Erectors, Inc., V & C Drywall Contractors, Inc., S and M Welding Co., Ltd., Swanson Steel Company, Inc., South Pacific Steel Corporation, Mutual Welding company, Ltd., Alaka'i Mechanical Corporation, AA Electric, Ltd., Quality General, Inc., and a concerned individual testified in support of this bill. Steel Fabricators and Erectors of Hawaii supported this measure with an amendment. The Subcontractors Association of Hawaii supported the intent of this measure. The Department of Accounting and General Services, John H. Connors Insurance, Hawaii Surety Association, Building Industry Association, Walter Y. Arakaki General Contractor, Inc., Hidano Construction, Inc., General Contractors Association of Hawaii, Maui Contractors Association, Associated Builders and Contractors, Inc., and Laborers' International Union of North America Local 368, AFL-CIO opposed this measure.

Under the current system, subcontractors who are hired by general contractors to complete a portion of the larger project, do not receive payment for their services until the entire project is inspected and completed. Your Committee finds that further discussion is necessary in establishing long-term solutions that benefit both general and subcontractors.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3036 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Herkes.

**SCRep. 574-06 Economic Development & Business Concerns on H.B. No. 3084**

The purpose of this bill is to establish fair and consistent practices for the purchase and use of retail gift certificates by:

- (1) Prohibiting retailers from charging gift certificate maintenance fees; and
- (2) Eliminating the two-year cap on gift certificate validity, making all gift certificates perpetual.

The Retail Merchants of Hawaii supported the intent of this measure. The Department of Commerce and Consumer Affairs and Hawaii Bankers Association offered comments.

Your Committee has amended this bill by restoring the two-year cap on gift certificate validity.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3084, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3084, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Herkes.

**SCRep. 575-06 Economic Development & Business Concerns on H.B. No. 2885**

The purpose of this bill is to protect youth and the general public from exposure to products of an indecent nature by requiring individuals and businesses who sell adult entertainment products to display the products separately and obscurely.

Hawaii Reserves, Inc., and numerous concerned individuals testified in support of this bill.

Your Committee has amended this bill by:

- (1) Specifying that the display of "X-rated" materials is restricted by this measure; and
- (2) Making technical, nonsubstantive amendments for style and clarity.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2885, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2885, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Herkes.

**SCRep. 576-06 Economic Development & Business Concerns on H.B. No. 1866**

The purpose of this bill is to allow the University of Hawaii (UH) and the Department of Education (DOE) permanent autonomous authority for matters relating to the purchase of goods, services, payments, and accounting by repealing the June 30, 2006, sunset date established in Act 321, Session Laws of Hawaii 1986.

UH, DOE, The Chamber of Commerce of Hawaii, and Hawaii Business Roundtable testified in support of this bill. The Department of Accounting and General Services opposed this measure.

Allowing UH and DOE permanent autonomous authority in securing goods and services would provide greater flexibility in advancing the educational mission of the state. However, your Committee respectfully requests the Committee on Finance to review the possibility of extending, rather than repealing, the sunset date as a means of reaching this goal.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1866 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Herkes.

**SCRep. 577-06 Economic Development & Business Concerns on H.B. No. 3063**

The purpose of this bill is to develop highly trained, technological workers by appropriating funds to the Economic Development Alliance of Hawaii, (EDAH) Inc., which focuses on supporting partnership workforce development in science, and technological careers.

EDAH, Inc, TREX Hawaii, LLC, Kauai Economic Development Board, Inc., Molokai Chamber of Commerce, Hawaii Science and Technology Council, Hawaii Island Economic Development Board, General Dynamics Advanced Information Systems, Hawaii Crop

Improvement Association, Monsanto Hawaii, Maui Economic Development Board, Inc., and many concerned students and individuals testified in support of this bill. The Workforce Development Council (Council) supported this bill with an amendment.

Your Committee has amended this bill by:

- (1) Requiring the funded projects be aligned with state plans set forth by the Council; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3063, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3063, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Herkes.

**SCRep. 578-06 Economic Development & Business Concerns on H.B. No. 2751**

The purpose of this bill is to expand Hawaii's business industry by creating a Business Retention and Expansion Program (Program) within the Department of Business, Economic Development and Tourism (DBEDT). The Program would be charged with the task of:

- (1) Identifying and assisting both at-risk and ripe businesses; and
- (2) Promoting expansion and retention initiatives in the public and private sector.

The Chamber of Commerce of Hawaii and Hawaii Small Business Development Center Network testified in support of this bill. DBEDT supported the intent of this measure.

DBEDT currently has existing programs that attempt to retain and expand businesses in the state and to avoid duplication of services, your Committee respectfully requests the Committee on Finance to review the possibility of retaining and expanding businesses administratively.

Your Committee did not take action on determining a sum to appropriate for the Program as DBEDT is in the process of determining an amount and will notify the appropriate committees.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2751 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Herkes.

**SCRep. 579-06 Economic Development & Business Concerns on H.B. No. 2925**

The purpose of this bill is to appropriate \$500,000 for the Hawaii Community-Based Economic Development Technical and Financial Assistance Program to provide low-interest grants to various community-based entrepreneurs.

The Hawaii Alliance for Community Based Economic Development, Hawaii Small Business Development Center Network, Molokai Chamber Of Commerce, Volunteer Legal Services Hawaii, Hawaii Alliance of Nonprofit Organizations, Kona Pacific Farmers Cooperative, and The Arc of Hilo testified in support of this bill. The Department of Business, Economic Development, and Tourism supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2925 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Herkes.

**SCRep. 580-06 Economic Development & Business Concerns/Higher Education on H.B. No. 3261**

The purpose of this bill is to support and nurture Hawaii's talented intellectual community by establishing the Hawaii Ingenuity Corporation, a single entity to be responsible for:

- (1) Holding and using intellectual and other property;
- (2) Raising labor and environmental standards;
- (3) Promoting innovation;
- (4) Attracting inventors to Hawaii;
- (5) Assisting inventors with businesses; and
- (6) Collectively bargaining on behalf of inventors.

The Hawaii State AFL-CIO; American Ingenuity Alliance; Hawaii Alliance for Community Based Economic Development; KMH LLP; Entec Engine Corporation; American Federation of Television and Radio Artists; AFTRA, AFL-CIO; Professional Inventors Alliance; and several concerned individuals testified in support of this bill. The Hawaii State Teachers Association supported the intent of this measure. The Office of Information Practices offered comments.

Your Committees recognize that promoting innovation and supporting local inventors and creators of intellectual property contribute much to Hawaii's economy. However, a majority of inventors lack the resources to protect their intellectual property rights. The establishment of a single body to oversee the use of intellectual property as well as foster continued innovation will benefit the entire state.

As affirmed by the records of votes of the members of your Committees on Economic Development & Business Concerns and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3261 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Berg, Green, Harbin, Herkes, Yamashita and Ching.

**SCRep. 581-06      Judiciary on H.B. No. 1817**

The purpose of this bill is to update the fireworks law by:

- (1) Better regulating the importation, storage, transfer, sale, and use of professional pyrotechnic devices known as articles pyrotechnic;
- (2) Using terminology consistent with the Bureau of Alcohol, Tobacco, Firearms, and Explosives; and
- (3) Deleting references to the United States Bureau of Explosives.

The County of Hawaii Fire Department and Legislative Information Services of Hawaii testified in support of this bill. The Hawaii Food Industry Association supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Changing the effective date to August 1, 2006, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments to correct drafting errors.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1817, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1817, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morita and Souki.

**SCRep. 582-06      Judiciary on H.B. No. 2278**

The purpose of this bill is to support victims of sexual violence crimes by making an emergency appropriation to:

- (1) Deposit funds into the DNA Registry Special Fund (Special Fund);
- (2) Make an appropriation out of the Special Fund to pay for costs associated with the implementation of Act 112, which requires the collection and analysis of buccal swab samples in certain cases; and
- (3) Make an appropriation to pay for costs associated with the implementation of Act 133, which allows the Department of the Attorney General (AG) to administer programs for the prevention of sexual violence and the protection and treatment of victims of sexual violence.

The Judiciary, AG, Department of the Prosecuting Attorney of the City and County of Honolulu, and The Sex Abuse Treatment Center testified in support of this bill.

Your Committee supports the intent and purpose of the DNA registry. However, emergency measures are reserved for extraordinary and immediate needs to the exclusion of other needs. The AG, which is responsible for the registry, has not justified the need for an emergency appropriation to the exclusion of other necessary appropriations. Consequently, your Committee believes that it is appropriate to leave the appropriation amount blank and respectfully requests the Committee on Finance to further discuss this matter.

Your Committee has amended this bill by:

- (1) Blanking out the amounts of all appropriations to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2278, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2278, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Caldwell.

**SCRep. 583-06      Judiciary on H.B. No. 3034**

The purpose of this bill is to preserve and protect Hawaii's natural environment through consistent and uniform application of the state's environmental laws by establishing environmental courts within the circuit courts to hear cases and preside over other administrative proceedings relating to environmental law.



The Nature Conservancy of Hawaii and a concerned individual testified in support of this bill. The Judiciary opposed this measure.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2096, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3034, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3034, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Caldwell.

**SCRep. 584-06      Judiciary on H.B. No. 2395**

The purpose of this bill is to protect forest reserves by:

- (1) Establishing administrative penalties and corresponding enforcement powers of the Board of Land and Natural Resources (BLNR) for violations of the forest reserve, water development, and zoning law; and
- (2) Increasing and establishing additional criminal fines for the harm or removal of any timber, young tree growth, or products of tree growth on lands in state forest reserves, except as authorized by law or by permission from the Department of Land and Natural Resources (DLNR).

DLNR, the Conservation Council for Hawaii, Nature Conservancy, and Sierra Club, Hawaii Chapter supported this bill.

Your Committee has amended this bill by:

- (1) Clarifying that:
  - (A) The additional administrative fines for destroying or harvesting trees or plants of a certain size apply to timber trespass in forest reserves; and
  - (B) The administrative penalties and BLNR enforcement powers also apply to violations of licenses issued under the forest reserve, water development, and zoning law;

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2395, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2395, H.D. 1.

Signed by all members of the Committee except Representative Caldwell.

**SCRep. 585-06      Judiciary on H.B. No. 2524**

The purpose of this bill is to promote a fair and meaningful review of business or development-related permit, license, or approval applications by prohibiting the automatic approval of permits when there is a lack of quorum, tie vote, or other vote with less than a majority of the approving authority present.

The Department of Land and Natural Resources, the Mayor of Hawaii County, the Planning Department of the County of Hawaii, and Sierra Club, Hawaii's Chapter testified in support of this bill. The Land Use Research Foundation of Hawaii opposed the measure.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2524, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2524, H.D. 1.

Signed by all members of the Committee except Representative Caldwell.

**SCRep. 586-06      Judiciary on H.B. No. 2594**

The purpose of this bill is to reduce the insurance burden on design professionals who contract with government bodies. Specifically, this bill prohibits a government contract entered into by a government body with a licensed design professional for construction design professional services from requiring the design professional to defend the government body from liability, damage, loss, or claim, action, or proceeding. In addition, this bill allows the contract to require the licensed design professional to indemnify the government body from and against any liability, loss, damage, cost, and expense arising out of the negligent and other wrongful acts of the design professional.

The American Council of Engineering Companies, Belt Collins Hawaii, Ltd., Coalition of Hawaii Engineering and Architectural Professionals, Engineering Concepts, Inc., Environet, Inc., Fukunaga & Associates, KAI Hawaii, Inc., The Limtiaco Consulting Group, Lincoln Scott, Masa Fujioka & Associates, Miyasato Kuniyoshi Engineers LLC, Pacific Geotechnical Engineers, Inc., Shigemura, Lau, Sakananishi,

Higuchi and Associates, Inc., and the Structural Engineers Association of Hawaii supported this bill. The Department of Transportation opposed this bill. The Department of Accounting and General Services and the State Procurement Office submitted comments.

Your Committee remains concerned that many businesses, especially small businesses, that contract with the State or county governments for design professional services are unable to obtain business insurance that provides coverage for defense of the government body. However, such businesses are able to obtain standard errors and omission policies for negligence that would indemnify the government body. Prohibiting contracts that require defense of government body provisions will greatly assist these businesses by removing such onerous insurance requirements.

Your Committee notes that some concerns have been raised regarding the scope and intent of this bill.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that if a government body enters into a contract with a person for professional services to be performed by one or more construction design professionals, the contract shall not require the person to defend the government body against any liability, damage, or loss, in any claim, action, or proceeding;
- (2) Defining "person" to mean any person, partnership, corporation, or other entity conducting business in the state;
- (3) Changing its effective date to July 1, 2006, to promote further discussion of this matter; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2594, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2594, H.D. 1.

Signed by all members of the Committee except Representative Caldwell.

**SCRep. 587-06      Judiciary on H.B. No. 2655**

The purpose of this bill is to expedite the process of investigating traffic accidents and fatalities by establishing within the Department of Transportation (DOT) a multidisciplinary accident investigation team consisting of personnel who specialize in highly technological and comprehensive traffic collision investigation.

The Representative of the 42<sup>nd</sup> House District and several concerned individuals testified in support of this bill. DOT supported the intent of this measure. The Police Department opposed this measure.

Your Committee finds that long traffic delays caused by the lengthy traffic accident and fatality investigation process creates unnecessary burdens upon the state's residents and visitors. Creative solutions such as multidisciplinary accident investigation teams, similar to those in California that can expedite investigations within 30 to 60 minutes, are integral to improving Hawaii's traffic burden. However, your Committee notes concerns about possible duplication of services and intends to proceed on this measure in a manner that is most efficient of existing resources.

Accordingly, your Committee has amended this bill by:

- (1) Limiting the mandate to establish multidisciplinary investigation teams to police departments of counties with populations in excess of 500,000;
- (2) Changing the effective date to July 1, 2006, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2655, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2655, H.D. 1.

Signed by all members of the Committee except Representative Caldwell.

**SCRep. 588-06      Judiciary on H.B. No. 2992**

The purpose of this bill, as received, is to amend the State Constitution to authorize the issuance and use the proceeds of special purpose revenue bonds to assist not-for-profit private organizations in the development of low and moderate income housing.

The Land Use Research Foundation of Hawaii and UniDev, LLC, testified in support of this measure. The Hawaii Association of Realtors supports the intent of this bill. The Department of Budget and Finance provided comments.

Your Committee notes that there may be other alternatives to accomplish the purpose of this bill without the need for a constitutional amendment.

This bill has been amended by making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2992, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2992, H.D. 1.

Signed by all members of the Committee except Representative Caldwell.