

**SCRep. 589-06      Judiciary on H.B. No. 2991**

The purpose of this bill, as received, 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.

Representatives from the Office of the Governor, Land Use Research Foundation, and UniDev, LLC, testified in support of this measure. The Department of Budget and Finance and Hawaii Association of Realtors supported the intent of this bill.

Your Committee finds that private organizations, public instrumentalities, and their qualified affiliates should also be included in utilizing SPRBs as a financing tool.

Accordingly, your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2006, to encourage 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. 2991, 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. 2991, H.D. 2.

Signed by all members of the Committee except Representative Caldwell.

**SCRep. 590-06      Judiciary on H.B. No. 2060**

The purpose of this bill is to reduce unintended teenage pregnancy and sexually transmitted disease (STD) rates by requiring state and federally funded providers of sex information to provide teenagers with a comprehensive understanding of sex information that is:

- (1) Medically accurate; and
- (2) Inclusive of both abstinence and contraception as methods for pregnancy and STD prevention.

The American Civil Liberties Union of Hawaii, Community Alliance on Prisons, Healthy Mothers, Healthy Babies Coalition of Hawaii, Planned Parenthood of Hawaii, and a concerned individual testified in support of this bill. The Department of Health and Hawaii Right to Life opposed this measure.

Your Committee has amended this bill by:

- (1) Prohibiting sex information providers from providing factual information that is not medically accurate;
- (2) Changing the effective date to July 1, 2006, to promote 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. 2060, 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. 2060, H.D. 2.

Signed by all members of the Committee except Representative Caldwell.

**SCRep. 591-06      Energy & Environmental Protection on H.B. No. 3096**

The purpose of this measure is to require a county with a population greater than five hundred thousand residents to implement a comprehensive recycling program that includes the curbside collection of recyclable goods as a component of the program.

The measure also appropriates an unspecified amount of funds as a grant-in-aid to the City and County of Honolulu for this purpose.

The Hawaii Chapter of the Sierra Club, Conservation Council of Hawaii, and the Windward Ahupuaa Alliance testified in support of this bill. A member of the Honolulu City Council supported the intent of this measure. The Department of Health and the City and County of Honolulu Department of Environmental Services opposed the measure.

While your Committee respects the concept of homerule, your Committee believes that the City and County of Honolulu is not fully executing its responsibilities as required under chapter 342G, Hawaii Revised Statutes. If the City and County of Honolulu is unable to establish a viable waste management alternative to the Waimanalo Gulch landfill within the very near future, the resultant waste management crisis would not only affect the health and welfare of the general public, but also wreak significant adverse environmental consequences as well. Consequently, your Committee also believes that the only effective solution currently and readily available is an aggressive wastestream diversion program such as curbside recycling. Your Committee further believes that the implementation of a curbside recycling program will provide the City and County of Honolulu with more time to deal with its waste management problem, since the recyclable waste that would have gone to the Waimanalo Gulch landfill will be diverted under this program.

Your Committee also finds that the Honolulu City Council has made an overture through a resolution urging the Hawaii State Legislature to allow the one-cent deposit beverage container handling fee to be remitted to the counties for curbside recycling programs. Your Committee finds that this resolution is tantamount to the Honolulu City Council asking all consumers statewide to subsidize a City and County of Honolulu curbside recycling program that only benefits the single family dwellings or the one hundred thirty thousand households to whom the

City and County of Honolulu offers trash pick-up service. Your Committee believes that those who directly benefit from the program should pay the costs of this service through property tax revenues or user fees. The burden of funding such a program should not be passed on, within the City and County of Honolulu or statewide, to those not receiving the service.

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. 3096 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 Pine.

**SCRep. 592-06      Housing on H.B. No. 2966**

The purpose of this bill is to further implement the division of the Housing and Community Development Corporation of Hawaii (HCDCH) into two separate agencies, including:

- (1) Changing the names of the new agencies to the Hawaii Housing Finance and Development Corporation (HHFDC) and the Hawaii Public Housing Authority (HPHA);
- (2) Authorizing the HHFDC to set the salaries of its executive director and executive assistant, subject to the approval of the Governor;
- (3) Expanding the details of the various programs under HHFDC and HPHA to conform to those under HCDCH and to further clarify the duties of HHFDC and HPHA; and
- (4) Appropriating funds as follows:
  - (a) \$708,300 to purchase equipment for HHFDC;
  - (b) An unspecified amount of funds for HHFDC;
  - (c) \$366,303 for positions for HHFDC;
  - (d) \$1,800,000 for renovations to HPHA's School Street office; and
  - (e) \$99,427 for positions for HPHA.

HCDCH testified in support of this bill.

Your Committee has amended this bill by:

- (1) Removing the provisions authorizing HHFDC and HPHA to set the salaries of the executive director and executive assistant and returning it to the current provision that allows the executive director to be paid a salary not to exceed 85 percent of the Director of Human Resources Development and the executive assistant to be paid a salary not to exceed 90 percent of the executive director's salary;
- (2) Removing the Director of Finance and a representative of the Governor's Office from the HHFDC Board;
- (3) Expanding the use of the State Rent Supplement Program (Program) by authorizing HPHA 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;
- (4) Authorizing HPHA to determine the Program payments through administrative rules;
- (5) Removing the restriction against public assistance recipients being considered "qualified tenants" for purposes of the Program; and
- (6) Making technical, nonsubstantive amendments for clarity, style, and consistency.

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. 2966, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2966, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 593-06      Consumer Protection & Commerce on H.B. No. 3222**

The purpose of this bill is to allow Hawaii to become a leader in the development of renewable hydrogen technologies and move the State toward a renewable hydrogen economy by:

- (1) Establishing the Hawaii Renewable Hydrogen Program (Program) to manage the State's transition to a renewable hydrogen economy;
- (2) Establishing the Hydrogen Investment Capital Special Fund to seed private and federal projects for the deployment of hydrogen systems;

- (3) Directing the Department of Business, Economic Development, and Tourism (DBEDT), Hawaii Natural Energy Institute, and Natural Energy Laboratory Hawaii Authority (NELHA) to design a distributed energy storage microgrid demonstration project to transport energy to NELHA;
- (4) Directing the Public Utilities Commission (PUC) to regulate the microgrid; and
- (5) Appropriating funds for the Program.

NELHA, Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc., and Maui Electric Company, Ltd., supported this bill in part and commented. Rocky Mountain Institute provided testimony in support of this measure with amendments. The Consumer Advocate and DBEDT supported the intent of this bill. PUC and Puna Geothermal Venture commented.

When your Committee heard this measure, the testimony was unanimously in favor of the portions of the bill establishing the Hawaii Renewable Hydrogen Program. However, there was much concern and opposition directed at the establishment of a distributed energy storage microgrid demonstration project. In particular, there were questions as to whether the ratepayers would be carrying the additional cost of the project, or if it would serve to maximize efficiency and reduce costs in energy generation and utilization.

These concerns merit further consideration, and your Committee respectfully requests the Committee on Finance to examine these issues.

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. 3222, 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. 594-06 Consumer Protection & Commerce on H.B. No. 3144**

The purpose of this bill is to expand the coverage of the State Pharmacy Assistance Program (Program) to persons with household incomes at or below 150 percent of the federal poverty level (FPL).

Testimony in support of this measure was provided by the Department of Human Services (DHS). AARP Hawaii submitted testimony in support of this measure with amendments.

Your Committee has amended this bill by:

- (1) Extending Program eligibility to persons with household incomes at or below 200 percent of the federal FPL;
- (2) Repealing provisions relating to prescription drug rebate agreements under the Program;
- (3) Removing the asset test for Program eligibility;
- (4) Requiring Program applicants to apply for the federal Medicare part D pharmacy benefit program;
- (5) Requiring the DHS to provide Program applicants with information about the Medicare prescription drug plan that best meets their needs at the lowest cost and help them enroll in the appropriate plan;
- (6) Mandating that for Program enrollees with income at or below 150 percent of the FPL, the Program will pay up to 125 percent of the average premium for the Medicare Part D prescription drug program, and all enrollee costs, including deductibles, copayments, and the cost of medications excluded from or denied coverage under the Medicare plan; and
- (7) Requiring that for Program enrollees with income between 150 and 200 percent of the FPL, the Program will pay a portion of the payment of Medicare part D.

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. 3144, 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. 3144, H.D. 2.

Signed by all members of the Committee except Representatives Karamatsu and Sonson.

**SCRep. 595-06 Consumer Protection & Commerce/Judiciary on H.B. No. 2646**

The purpose of this bill is to improve the delivery of workers' compensation benefits to injured workers 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 testified in support of this bill. The Department of Human Resources Development opposed this measure. The Department of Labor and Industrial Relations, Office of Information Practices, ILWU Local 142, Hawaii Chapter, American Physical Therapy Association, and Hawaii Employers' Mutual Insurance Company offered comments.

Your Committees amended this bill by:

- (1) Clarifying that the derivative reports relating to collective bargaining representatives, labor-management agreements, and employees covered by these agreements are subject to disclosure pursuant to chapter 92F, Hawaii Revised Statutes;
- (2) Clarifying that the "records" rather than the "data" on which the reports are based, are confidential;
- (3) Changing the effective date to July 1, 2006; 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 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. 2646, 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. 2646, H.D. 2.

Signed by all members of the Committee except Representatives Ito, Karamatsu, Morita, Schatz and Sonson.

**SCRep. 596-06 Water, Land, & Ocean Resources on H.B. No. 2635**

The purpose of this bill is to protect the Ahihi-Kinau Natural Area Reserve (Reserve), an area which contains many ancient Hawaiian archaeological and cultural sites and valuable natural resources, by requiring the Board of Land and Natural Resources (BLNR) to implement the Limited Public Access and Management Plan (Plan), a plan created by the Ahihi-Kinau/Keoneoio Advisory Group. The Plan makes a variety of provisions for the protection of valuable natural resources in the Reserve.

The Department of Land and Natural Resources (DLNR) opposed this measure. DLNR reported that a draft management plan has been prepared and is going through the process, therefore, the bill is unnecessary. Although such may be the case, your Committee believes this measure deserves further consideration.

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. 2635 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 597-06 Water, Land, & Ocean Resources on H.B. No. 2587**

The purpose of this bill is to address the declining fish stock of Hawaii by:

- (1) Requiring the Department of Land and Natural Resources (DLNR), with the assistance and input of all stakeholders, to:
  - (A) Assess the effectiveness of the existing no-take managed marine areas (MMA) and defacto no-take areas such as Kahoolawe Island and military zones;
  - (B) Study the effectiveness of means other than additional no-take MMAs to produce more fish, including more effective enforcement of fishing laws, slotting and size limits, and fish propagation programs; and
  - (C) Report its preliminary finding and recommendations to the Legislature at least 20 days before the convening of the Regular Session of 2007, with a final report at least 20 days before the convening of the Regular Session of 2008;
- (2) Appropriating an unspecified sum for the assessment and study; and
- (3) Appropriating an unspecified sum for additional positions in DLNR for the enforcement of the State's fishing laws.

The Association of Hawaiian Civic Clubs, several organizations, and individuals testified in support of this bill. The Office of Hawaiian Affairs supported the intent of this measure. DLNR, Nature Conservancy-Hawaii, Conservation Council for Hawaii, Community Conservation Network, Maui Coastal Land Trust, Hui Malama o Pupukea-Waimea, Paa Pono Milolii, Sierra Club, Hawaii Chapter, and numerous other organizations and individuals opposed this bill. The Ocean Law & Policy Forum and an individual commented on this measure.

Your Committee finds that the use of MMAs as a marine management tool is highly contentious among certain factions of the fishing community and among other stakeholders, it is a tested method of replenishing fishing stock. After receiving public testimony of this bill, decision making was deferred. A proposed version of this bill was prepared and circulated among the Committee members in an effort to obtain consensus. The draft proposed to hold DLNR accountable through transparent processes and community input, without unnecessarily interfering with and imposing overly restrictive conditions and criteria on, its mandate to protect the state's marine resources.

Your Committee notes that DLNR currently has the authority, through its rulemaking authority, to use various marine management tools, including MMAs. However, your Committee believes that providing DLNR with express statutory authorization will express the Legislature's commitment and financial support to replenishing and sustaining the fish stock of the state.

After considering many factors, including the legislative process that this measure will be subjected to, your Committee has amended this bill by, among other things:

- (1) Amending the purpose section;
- (2) Deleting reference to specific no-take MMA sites relating to DLNR's mandate to assess the effectiveness of existing no-take MMAs;
- (3) Requiring DLNR to assess, prioritize, and implement effective measures and programs to increase the fish population without citing examples of the various means, rather than studying the effectiveness of means other than no-take MMAs and citing examples of the other means to produce more fish;
- (4) Specifically giving DLNR the flexibility to use a variety of methods to assess effectiveness with respect to assessing the effectiveness of various marine management tools;

- (5) Mandating that the means be "in balance with" the economic, social, and traditional practice needs of the stakeholders, rather than requiring that the means of sustaining and enhancing the state's marine resources be "tempered by and balanced against"; and
- (6) Replacing the study of the effectiveness of the various marine management tools, as one of the purposes of the appropriation, with the implementation of effective measures and programs, following a process of assessment and prioritization.

Your Committee has also amended this bill by making technical, nonsubstantive amendments for clarity, style, 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. 2587, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2587, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 598-06 Public Safety & Military Affairs on H.B. No. 173**

The purpose of this measure is to require that, effective July 1, 2005, persons serving in the capacities of Adjutant General and Deputy Adjutant General possess certain minimum experiential qualifications.

Specifically, the measure mandates that, retroactive to July 1, 2005, and in addition to other qualifications established by law for the positions of Adjutant General and Deputy Adjutant General, the person:

- (1) Hold or have held a commission as a field grade officer, federally recognized as such, in the national guard of the armed forces of this or any other state or territory of the United States, or in the armed forces of the United States or a reserve component thereof, and has served as a commissioned officer in one or more of the armed forces for at least ten years; and
- (2) Possess at least five years of service as an active commissioned officer in the Hawaii National Guard, whether army, air, or both.

The measure also requires that the Deputy Adjutant General: be appointed and be subject to removal as set forth in section 26-31; serve for the term as set forth in section 6, article V, of the state constitution; and have a grade no higher than brigadier general.

Your Committee has amended the measure by:

- (1) Deleting all provisions relating to the position of Deputy Adjutant General;
- (2) Moving the threshold date from July 1, 2005 to July 1, 2006;
- (3) Adding a savings clause to clarify that the measure does not affect the incumbent Adjutant General;
- (4) Adding a purpose section to clarify the intent of the measure; and
- (5) Changing the effective date from upon approval to July 1, 2050, to promote further discussion on the 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. 173, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 173, H.D. 1, and be referred to the Committee on Labor & Public Employment.

Signed by all members of the Committee except Representatives Souki and Stonebraker.  
(Representative Mosesvoted no.)

**SCRep. 599-06 Public Safety & Military Affairs on H.B. No. 3029**

The purpose of this bill is to authorize the University of Hawaii to waive or reduce tuition fees 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 and Chamber of Commerce of Hawaii testified in support of this bill. The Hawaii National Guard Enlisted Association supported the bill with amendments. The University of Hawaii supported the intent of the measure.

Your Committee finds that the tuition assistance program for members of the Hawaii National Guard and federal military reserves is an important benefit that is essential to military recruitment and retention and that the proposed tuition waivers recognize the hardships faced by members when activated for deployment. Your Committee also finds that, currently, National Guardsmen who are recruited from the mainland are not granted resident status for tuition purposes until they have been residing in Hawaii for twelve months.

Your Committee has amended this measure by:

- (1) Granting members of the Hawaii National Guard and their authorized dependents with residence tuition status regardless of their actual state of residence; and
- (2) Changing the effective date to July 1, 2050.

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. 3029, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 3029, H.D. 1.

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

**SCRep. 600-06 Public Safety & Military Affairs on H.B. No. 2343**

The purpose of this bill is to help preserve civil order during a civil defense emergency by significantly increasing the criminal penalties for the commission of certain crimes during such a period. Specifically, this bill would:

- (1) Deter looting during a civil defense emergency;
- (2) Punish looters for taking advantage of the emergency situation; and
- (3) Protect civil defense emergency workers.

The state Department of Defense and Department of the Attorney General testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2343 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 601-06 Agriculture on H.B. No. 2870**

The purpose of this bill is to provide for more efficient agricultural use of scarce water resources by appropriating \$1,000,000 for the State Agricultural Water Use and Development Plan.

The Hawaii Crop Improvement Association, Pineapple Growers Association of Hawaii, Alexander & Baldwin, Inc., Hawaiian Commercial & Sugar Company, Kauai Coffee Company, Inc., Hawaii Agriculture Research Center, C&H Farms, Hawaii Farm Bureau Federation, and Maui County Farm Bureau supported this bill. The Department of Agriculture supported the intent of this bill. Earthjustice opposed this measure. The Department of Land and Natural Resources submitted 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. 2870 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 602-06 Agriculture on H.B. No. 2179**

The purpose of this bill is to rejuvenate state management of agricultural lands and overhaul aging agricultural infrastructure by:

- (1) Transferring the management and administration of state agricultural parks, non-agricultural park lands, state irrigation systems, and programs relating to the development and promotion of agricultural products and markets, from the Department of Agriculture (DOA) to the Agribusiness Development Corporation (ADC);
- (2) Establishing the Irrigation Repair and Maintenance Special Fund (Special Fund) to fund repair and maintenance of certain irrigation systems throughout the state;
- (3) Establishing a nonrefundable income tax credit equal to the amount of matching funds provided by a taxpayer in obtaining funding from the Special Fund;
- (4) Authorizing \$30,000,000 in general obligation bonds and appropriating the same amount to be deposited into the Special Fund; provided that \$50,000,000 in federal funds are also deposited into the Special Fund;
- (5) Appropriating \$80,000,000 out of the Special Fund to be used for irrigation repair and maintenance;
- (6) Appropriating \$11,886,000 in general funds for repair and maintenance of certain irrigation systems; and
- (7) Appropriating funds for the operation, management, and administrative costs incurred by the ADC.

C&H Farms supported this bill. DOA, ADC, Hawaii Crop Improvement Association, Pineapple Growers Association of Hawaii, Big Island Farm Bureau, East Kauai Water Users' Cooperative, Hawaii Agriculture Research Center, Hawaii Cattlemen's Council, Hawaii Farm Bureau Federation, Kona County Farm Bureau, Maui County Farm Bureau, Saiva Siddhanta Church, and a concerned individual supported the provisions of the bill related to irrigation, but opposed the transfer of functions from DOA to ADC. Dole Food Company, Inc., supported the intent of the provisions related to irrigation, but opposed the transfer of functions from DOA to ADC. The Department of Taxation, Earthjustice, Hawaii Export Nursery Association, Hawaii Beekeepers' Association, Hawaii Coffee Association, Hawaii Forest Industry Association, Waimanalo Agricultural Association, and two concerned individuals opposed this measure. The Department of Land and Natural Resources, Department of Budget and Finance, Kona Pacific Farmers Cooperative, Land Use Research Foundation of Hawaii, Alexander & Baldwin, Inc., and Hawaiian Commercial & Sugar Company submitted comments.

Your Committee notes that concerns were raised regarding the exclusion of sugarcane and pineapple production from the definition of "diversified agriculture" as it relates to the landowners that are qualified to apply for and receive funding from the Special Fund. In addition, concerns were also raised regarding the requirement for landowners, as a condition of applying for Special Fund moneys, to agree to file petition for declaratory rulings designating all lands within two miles of the water produced by the irrigation system as important agricultural lands. Your Committee recognizes that these conditions may be too restrictive since they may exclude certain irrigation systems from accessing the Special Fund, which may have detrimental effects for the farms and ranches that depend on such irrigation systems. Your Committee supports future legislative efforts to address these issues.

In addition, your Committee recognizes that while numerous testifiers supported the portions of the bill relating to irrigation repair and maintenance, there was strong opposition to the portions of the bill that transfer management functions from DOA to ADC.

Accordingly, your Committee has amended this bill by:

- (1) Deleting the transfer of management and administrative functions from DOA to ADC contained in this bill as referred to your Committee;
- (2) Specifying that the Special Fund be administered by the Board of Agriculture (BOA) instead of the ADC;
- (3) Changing the expending agency for the:
  - (A) \$80,000,000 Special Fund appropriation for repair and maintenance of irrigation systems; and
  - (B) \$11,886,000 general fund appropriation for repair and maintenance of certain irrigation systems, to BOA instead of ADC;
- (4) Deleting the appropriation for the operational, management, and administrative costs incurred by ADC and replacing it with an appropriation for the operational, management, and administrative costs incurred by BOA in carrying out the provisions of this bill; 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2179, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2179, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 603-06 Agriculture on H.B. No. 2842**

The purpose of this bill is to provide a stable source of water for agricultural operations on the North Shore of Oahu by authorizing the issuance of special purpose revenue bonds to assist Kamehameha Schools with agricultural infrastructure improvements, including the construction, repair, and improvement of the Wahiawa reservoir system irrigation facilities.

The Department of Agriculture, Hawaii Farm Bureau Federation, Kamehameha Schools, Pineapple Growers Association of Hawaii, and a concerned individual supported this bill. The Office of Hawaiian Affairs supported this measure with amendments. The Agribusiness Development Corporation and Hawaii Agriculture Research Center supported the intent of this bill. The Department of Budget and Finance submitted comments.

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

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2842, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2842, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 604-06 Agriculture on H.B. No. 3068**

The purpose of this bill is to promote agricultural development in the Kunia area on Oahu by establishing the Kunia Special Agricultural District (District). Specifically, this bill, among other things:

- (1) Establishes boundaries of the District;
- (2) Requires the Board of Land and Natural Resources to transfer all non-agricultural parks lands and other public lands in its control within the District to the Agribusiness Development Corporation (ADC), with certain conditions and exceptions;
- (3) Requires the ADC to acquire public and private lands within the District for the development of agricultural projects and project facilities;
- (4) Allows the Director of Finance to invest state funds in linked investments that provide loans to agricultural enterprises in the District; and
- (5) Appropriates \$50,000,000 into the Hawaii Agricultural Development Revolving Fund to be used for activities related to the District.

The Hawaii Agriculture Research Center, Hawaii Farm Bureau Federation, C&H Farms, Hawaii Crop Improvement Association, and the Pineapple Growers Association of Hawaii supported this bill. The Department of Agriculture, ADC, and ILWU Local 142 supported the

intent of this bill. The Department of Budget and Finance, The Estate of James Campbell, and Land Use Research Foundation of Hawaii submitted comments.

Your Committee supports the establishment of the District as a means to accelerate development of viable agricultural businesses in the Kunia area. However, your Committee notes that concerns were raised regarding the following geographic boundaries of the District contained in the bill: "...within the area generally bounded by Farrington highway to the south, Kipapa gulch and Kamehameha highway to the east, Wheeler Air Force Base and Schofield Barracks to the north, and Makakilo Drive, the Makakilo residential urban district, and the Honouliuli forest reserve to the west." Your Committee believes that additional discussion should take place regarding the appropriate geographic boundaries for the District and supports future legislative efforts to address this matter.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the geographic boundaries of the District; 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. 3068, 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. 3068, H.D. 2.

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

**SCRep. 605-06 Health on H.B. No. 1789**

The purpose of this measure is to provide tax relief to trusts whose sole beneficiaries are blind, deaf, or disabled.

More specifically, this measure:

- (1) Extends the general excise tax rate of one-half per cent charged to blind, deaf, or totally disabled persons or business entities owned by blind, deaf, or totally disabled persons to trusts with a sole beneficiary who is blind, deaf, or totally disabled; and
- (2) Exempts from the general excise tax amounts, up to \$2,000, received by a trust with a sole beneficiary who is blind, deaf, or totally disabled.

The Department of Taxation submitted comments, but otherwise, took no position of this measure.

Your Committee notes that the amendment proposed in this measure is a technical amendment to current tax law. Currently, general excise tax law provides tax relief for any individual, corporation, partnership, or limited liability company, the members of which are blind, deaf, or totally disabled. This measure would include a trust, the sole beneficiary of which is blind, deaf, or totally disabled, within the current general excise tax relief.

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. 1789 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 606-06 Health on H.B. No. 3124**

The purpose of this measure is to exempt from the general excise tax, amounts received from the purchase of foods that qualify as supplemental food under the Women, Infant, and Children food program.

The Department of Taxation submitted comments on the measure.

Your Committee finds that the Women, Infant, and Children food program supports low-income women and children who are nutritionally at risk, by providing foods to supplement diets, information on healthy eating, support for women who breastfeed, and referrals to health care.

Your Committee also finds that the success of the Women, Infant, and Children food program, with respect to its recommended foods, should be expanded to assist all residents of the State by way of the general excise tax exemption provided by this measure. Your Committee, however, is concerned that this recommended food list does not reflect the ethnic diversity of the State and the many nutritious and beneficial foods that are exclusive to the ethnic groups that live in Hawaii. Therefore, your Committee recommends that the scope of the recommended food list be subsequently expanded and refined to recognize and benefit all of the people and ethnicities of the State.

Your Committee is also concerned with the comments made by the Department of Taxation with respect to problems that will be faced by retail food establishments administering the general excise tax exemption. The Department apparently believes that the tax exemption will cause untenable problems at the checkout line for computer cash registers, as well as cashiers. Accordingly, your Committee suggests that, instead of calculating the four per cent exemption at the cash register, the exemption should be calculated into the actual price of a food item, such that no further calculation would be necessary at the cash register.

Your Committee strongly believes that providing a healthy and well-balanced nutritional diet to Hawaii's residents is of primary importance and is essential to leading a healthy and productive life.

Your Committee has amended the measure by:

- (1) Deleting the word "supplemental" at page 6, line 1; and



- (2) Providing that the measure will apply to gross receipts collected, rather than taxable years beginning, after December 31, 2005.

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. 3124, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3124, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.  
(Representatives Cabanilla and Sonson voted no.)

**SCRep. 607-06 Health on H.B. No. 2049**

The purpose of this measure is to require the State to provide adequate restroom facilities for women in state owned or operated facilities that host large gatherings of the public.

Specifically, the measure requires the State to provide at least twice as many water closets for use by females as the number available to men in certain public facilities. It also authorizes the issuance of an unspecified amount of general obligation bonds to renovate facilities to comply with the measure.

The Executive Director of the Hawaii State Commission on the Status of Women and an individual testified in support of the measure. The Department of Transportation supported the measure's intent.

Your Committee acknowledges that, judging by lines of waiting women often visible outside of women's public restrooms, women's restrooms in certain state owned or operated facilities that host events that draw large crowds, such as stadiums, concert halls, and similar facilities, appear to be more crowded and involve a longer wait than men's restrooms in the same facility. This measure will achieve restroom equality for women and men, a principle supported by your Committee.

Your Committee also believes that the construction of an additional number of family restrooms is needed in public owned or operated facilities and urges your Committee on Finance to consider such an amendment.

Your Committee has amended this measure by:

- (1) Deleting the authorization to issue general obligation bonds;
- (2) Clarifying that the bill applies only to new facilities, the construction of which begins after the measure's effective date; and
- (3) Changing the effective date from July 1, 2006 to "upon approval"; and
- (4) Making technical nonsubstantive changes for the purposes of clarity, style, and uniformity.

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. 2049, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2049, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 608-06 Health on H.B. No. 3120**

The purpose of this bill is to assist our neighborhoods in the fight against drug use and addiction by appropriating up to \$350,000 per school complex for existing or emerging community coalitions to:

- (1) Coordinate local anti-drug community efforts;
- (2) Fill service gaps; and
- (3) Implement best practice prevention programs.

The Hawaii Substance Abuse Coalition, Malama O Kamalii Makamae, Breakthroughs for Youth, Coalition for a Drug-Free Hawaii, Mililani Town Anti-drug Committee, Drug Policy Action Group, Kualoa-Heeia Ecumenical Youth Project, and several concerned individuals supported this bill. The Department of Education and Waipahu Community Association supported the intent of this measure. The Department of Health submitted comments.

Your Committee has amended this bill by:

- (1) Clarifying that the school complexes are used to identify a geographic area towards which the funds will be directed;
- (2) Adding operational expenses to provide staffing, equipment, consulting, and any other operational costs that will ensure service, quality, and accountability; 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. 3120, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3120, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 609-06 Health on H.B. No. 3139**

The purpose of this bill is to ensure and improve the development of Hawaii's children educationally and emotionally, by requiring childhood screening for vision, hearing, and speech development after child reaches the age of four and before the child reaches the age of six.

Family Voices of Hawaii and the Hawaii Chapter, American Academy of Pediatrics supported this bill. The Department of Health (DOH) supported the intent of this measure. The Christian Science Committee on Publication supported this bill with amendments. A concerned individual provided comments.

Your Committee has amended this bill by:

- (1) Providing early childhood screening to children from birth to eight years of age;
- (2) Requiring a certificate of screening prior to a child beginning preschool or kindergarten;
- (3) Allowing families with religious objections an exemption from early childhood screenings;
- (4) Establishing the Hawaii Childhood Screening Initiative Taskforce (Task Force) comprised of representatives from state agencies, community groups, and family members of children eligible for screening;
- (5) Directing the Task Force to make recommendations, formalize referral protocols, address issues related to physician participation, and evaluate compliance and appropriateness of referrals;
- (6) Requiring that the Task Force submit a report annually to the Legislature no later than 20 days prior the start of each regular session, beginning with the Regular Session of 2007, on the status of the early childhood screenings program and any recommended legislation necessary to improve the program; and
- (7) 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. 3139, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3139, H.D. 2, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 610-06 Health on H.B. No. 3140**

The purpose of this bill is to prepare and protect the people of Hawaii from a pandemic of a novel strain of influenza.

The Department of Health and Healthcare Association Hawaii supported this bill.

In light of the current health concerns regarding avian flu, your Committee finds that it is imperative that the State prepare for this oncoming threat as Hawaii is a popular destination for many citizens of Asia and Europe, where this virus has already been linked to the death of adults and children.

Any and all necessary support that can be gained for a state initiative to acquire antiviral medications is warranted in preparation for a potential pandemic of a novel strain of influenza. Because this will be a costly and on-going program, more thought should be given to the possibility that healthcare insurers should be requested to fund and reimburse the State for the use of antiviral medications collected by the State to battle this health threat. Also, a revolving fund should be considered as a method of paying for the acquisition of medications, mass clinic supplies, laboratory supplies and equipment, personal protective equipment, a data management system for tracing cases and contacts, and any other costs related to preparing for and facing an influenza pandemic in our island state.

Your Committee has amended this bill by:

- (1) Changing the appropriation to \$1 to encourage further discussion;
- (2) Appropriating the funds for fiscal year 2006-2007;
- (3) Revising the date on which the funds lapse to June 30, 2008; 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. 3140, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3140, H.D. 2, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 611-06 Health on H.B. No. 3141**

The purpose of this bill is to improve delivery of quality dental-specialty care in rural, underserved areas of the state by authorizing the licensure by credentials of dental specialists who are licensed in another state.

Numerous concerned individuals supported this bill. The Hawaii Dental Association and several concerned individuals opposed this measure. The Board of Dental Examiners (Board) submitted comments.

Your Committee has amended this bill by:

- (1) Replacing the provisions specifying licensing of dental specialists with provisions for issuance of a community service license that will be issued to a dental specialist with licensure from another state if the dental specialist works in a federally qualified health center, native Hawaiian health systems center, or a private practice located in geographic communities in underserved areas as defined by the Hawaii Primary Care Association;
- (2) Prohibiting persons who have failed to pass the dentistry licensure examination from having the benefit of a community service license;
- (3) Mandating participation in a formal and ongoing clinical quality assurance program;
- (4) Providing for an annual review and reauthorization by the Board;
- (5) Enumerating circumstances under which the community service license is revoked; and
- (6) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3141, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3141, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 612-06      Judiciary on H.B. No. 2112**

The purpose of this bill is to require the prior approval by the Legislature of any disposition of public lands by the Board of Land and Natural Resources (BLNR) or the Hawaii Community Development Authority (HCDA) in fee simple, by lease with option to purchase, or grant of easement in perpetuity. The disposition of remnants or grants to any state or county department or agency for roadway or infrastructure improvements is excluded from this requirement.

The Hawaii Government Employees Association and Sierra Club, Hawaii Chapter, testified in support of this bill. The Department of Land and Natural Resources, Department of the Attorney General, HCDA, and General Growth Properties, Inc., opposed this measure. Hawaiian Electric Company, Inc., Hawaii Electric Light Company, and Maui Electric Company offered comments.

Your Committee has amended this bill by:

- (1) Limiting the types of land dispositions that require prior legislative approval to public trust lands;
- (2) Removing the prior approval provisions for dispositions by BLNR from section 171-13 (disposition of public lands), Hawaii Revised Statutes (HRS), and inserting them into sections 171-41 (commercial, industrial, and other business uses), HRS, and 171-42 (hotel and resort uses), HRS;
- (3) Clarifying the type of land dispositions exempt from prior legislative approval by including, among other things, utility easements and dispositions by grant to a private entity for roadway or infrastructure improvement;
- (4) Changing the effective date to July 1, 2006, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for consistency and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2112, 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. 2112, H.D. 2.

Signed by all members of the Committee except Representative Caldwell.

**SCRep. 613-06      Judiciary on H.B. No. 2242**

The purpose of this bill is to promote the development of much-needed affordable housing in Hawaii by requiring the Land Use Commission (LUC), the counties, Hawaii Housing Finance and Development Administration, Hawaii Public Housing Administration, and Hawaii Community Development Authority (HCDA) 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.

A concerned individual testified in support of this bill. HCDA opposed this measure. The Department of Planning and Permitting of the City and County of Honolulu and Land Use Research Foundation of Hawaii offered comments.

Your Committee would have liked more information on housing development projects that have undergone LUC review with regard to affordable housing requirements.

Your Committee has amended this bill by:

- (1) Removing the specific percentage of residential dwelling units to be designated affordable or reserved for low- or moderate-income ranges;
- (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. 2242, 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. 2242, H.D. 2.

Signed by all members of the Committee except Representative Caldwell.

**SCRep. 614-06      Judiciary on H.B. No. 1917**

The purpose of this bill is to propose a constitutional amendment to establish a salary commission to review and recommend 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, executive officers, and the deputies or assistants to department heads of the departments provided by law, excluding the University of Hawaii and the Department of Education.

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, and a concerned individual supported this bill. The Department of the Attorney General and the Department of Human Resources Development submitted comments.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1917, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1917, H.D. 1.

Signed by all members of the Committee except Representative Caldwell.

**SCRep. 615-06      Judiciary on H.B. No. 1918**

The purpose of this bill is to establish a Commission on Salaries (Commission) within the Department of Human Resources Development (DHRD) 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, or an equivalent position; 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 would become effective upon ratification of a constitutional amendment authorizing the establishment of the Commission.

The Hawaii Government Employees Association and a concerned individual testified in support of this bill. The Judiciary, Department of the Attorney General, and DHRD offered comments.

Your Committee has amended this bill by:

- (1) Adding two members to the Commission to be appointed by the Governor;
- (2) Prohibiting the Commission from recommending salaries lower than salary amounts recommended by prior commissions replaced by the bill;
- (3) Deleting the year in which the Commission shall submit the first report of its findings and its salary recommendations to the Legislature through the Governor, to facilitate further discussion;
- (4) Changing the effective date to July 1, 2006, and upon ratification of the accompanying constitutional amendment; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1918, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1918, H.D. 1.

Signed by all members of the Committee except Representative Caldwell.

**SCRep. 616-06      Judiciary on H.B. No. 2500**

The purpose of this bill is to amend the Judiciary Appropriations Act of 2005 that provided necessary funds for the operation and capital improvement costs for the Judiciary for fiscal biennium 2005-2007 (July 1, 2005, through June 30, 2007).

The Judiciary and a concerned individual testified in support of this bill. The Family Law Section of the Hawaii State Bar Association, Honolulu Family Court Professionals, and several individuals opposed this measure. Other individuals offered comments.

Your Committee has amended this bill by:

- (1) Deleting \$48,000,000 in fiscal year 2006-2007 to complete the Kapolei Judiciary Complex;
- (2) Deleting \$252,777 in fiscal year 2006-2007 for three staff attorney positions in the Intermediate Court of Appeals (Judiciary101);
- (3) Deleting \$65,709 in fiscal year 2006-2007 for two positions in the Kaneohe District Court (Judiciary310) of the First Judicial Circuit;
- (4) Deleting \$80,438 in fiscal year 2006-2007 for two positions in the Second Judicial Circuit (Judiciary320);
- (5) Adding \$395,000 in fiscal year 2006-2007 as a grant-in-aid to the Domestic Violence Clearinghouse (Judiciary601);
- (6) Converting a \$249,475 appropriation to Na Loio Immigrant Legal Services from a grant-in-aid to a purchase of service; and
- (7) 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. 2500, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2500, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Caldwell.

**SCRep. 617-06      Judiciary on H.B. No. 2051**

The purpose of this bill is to deter human trafficking by establishing, among other things:

- (1) Criminal offenses, including trafficking of persons for forced labor or services, involuntary servitude, and sexual servitude of a minor, and penalties for the offenses;
- (2) Restitution and civil remedies for victims of human trafficking;
- (3) Benefits and services for victims of human trafficking;
- (4) Provisions to assist immigrants who are victims of human trafficking to access all available federal benefits and programs;
- (5) Requirements for training and data collection related to human trafficking;
- (6) A state interagency anti-trafficking task force to carry out various tasks related to human trafficking; and
- (7) Appropriation provisions to fund the anti-trafficking measures contained in this bill.

Catholic Charities Hawaii, Equality Now, National Asian Pacific American Women's Forum, Polaris Project, Safe Zone Foundation, Girl Fest Hawaii, Soroptimist International of Waikiki, and numerous concerned individuals supported this bill. The Department of the Attorney General (AG), Department of the Prosecuting Attorney for the City and County of Honolulu, and Na Loio supported the intent of this bill. The Office of the Public Defender opposed this measure. The Judiciary, Department of Health, and a concerned individual submitted comments.

Your Committee finds that human trafficking is a globally expansive tragedy that is finding its way to Hawaii's shores. Whether it be for sweatshop labor or sexual exploitation, trafficking victimizes women and children, the poor, and the vulnerable, in complex schemes that cross national, state, and local boundaries and that are not readily prosecuted under existing law. Even worse, victims are virtually enslaved, subjected to privation and prosecution for offenses they were forced to commit, stranded in countries in which they are illegally present, unwelcome in their countries of origin, and separated from any family or friends that might give them support.

However, your Committee finds that, while the threat posed to our state by human trafficking cannot be overestimated, the provisions contained in this bill have raised numerous concerns. The criminal provisions contained in this bill are viewed to be inconsistent with the structure and philosophy of the Hawaii Penal Code. The services to victims that would be required under the measure and the training necessary to combat trafficking are already the subject of ongoing efforts by the Hawaii Anti-Trafficking Task Force. Furthermore, the actions required of state authorities under this measure, with regard to the immigration status of trafficking victims, exceed current capabilities and may conflict with federal law.

In light of these concerns, your Committee has amended this bill by deleting its contents and inserting provisions that, among other things, integrate anti-trafficking provisions under the existing Penal Code. Specifically, this bill, as amended:

- (1) Establishes criminal offenses, including trafficking of persons for involuntary servitude and involuntary servitude, under the Penal Code and establishes penalties commensurate to the severity of the offenses;

- (2) Provides victims of human trafficking a defense against certain offenses, involving their involuntary servitude, that they are charged with;
- (3) Makes victims of human trafficking eligible for crime victim compensation funds;
- (4) Includes trafficking of persons for involuntary servitude and involuntary servitude in the list of offenses for which property is subject to forfeiture;
- (5) Requires the AG to establish a liaison with the United States Department of Justice to harmonize the State's efforts to address human trafficking with federal efforts;
- (6) Requires the AG to submit an annual report containing data relating to cases of human trafficking;
- (7) Establishes a temporary state interagency anti-trafficking task force (Task Force) comprised of public and private members to carry out various tasks related to combating human trafficking;
- (8) Appropriates funds to support the Task Force; and
- (9) Contains an effective date of July 1, 2006, to promote further discussion on this critical matter.

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. 2051, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2051, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Caldwell.

**SCRep. 618-06      Judiciary on H.B. No. 2177**

The purpose of this bill is assist agricultural businesses by proposing an amendment to the State Constitution that would authorize the State to issue special purpose revenue bonds (SPRBs) to assist agricultural businesses operating on important agricultural land.

The Department of Agriculture, Land Use Research Foundation of Hawaii, Hawaii Farm Bureau Federation, and a concerned individual testified in support of this bill. The Hawaii Agriculture Research Center supported the intent of this measure. The Sierra Club, Hawaii Chapter, and Earthjustice opposed this bill. The Department of Budget and Finance provided comments.

Your Committee finds that funds obtained from the issuance of SPRBs could be used to construct or renovate irrigation systems or infrastructure on those lands. However, the construction of irrigation systems raises issues concerning the proper allocation of Hawaii's limited water resources. Your Committee believes that this issue should be examined in conjunction with H.B. No. 2178, another bill making its way through the legislative process that establishes a new part in chapter 39A, Hawaii Revised Statutes, to implement the bond authorization in this bill in the event that the constitutional amendment in this bill is adopted by the electorate.

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. 2177 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Karamatsu.

**SCRep. 619-06      Judiciary 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, Hawaii Farm Bureau, Land Use Research Foundation of Hawaii, Hawaii Crop Improvement Association, and a concerned individual testified in support of this bill. The Hawaii Agriculture Research Center supported the intent of this measure. The Sierra Club, Hawaii Chapter, and Earthjustice opposed this measure. B&F and the Department of the Attorney General offered comments.

Your Committee finds that the preservation of important agricultural lands is a significant issue. However, concerns were raised about the potential adverse effect of funding irrigation system improvements that may divert water from streams in a way that harms native stream life, cultural uses, and ecosystem balance. Water is a public trust resource that the State must protect, and discussions about methods to preserve natural streams, including the establishment of scientifically-based instream flow standards are necessary in finding comprehensive solutions.

Further concerns were raised regarding whether the special purpose revenue bonds authorized by this bill would be exempt from federal taxes, and your Committee respectfully requests the Committee on Finance to address this issue.

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. 2178 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Karamatsu.

**SCRep. 620-06      Judiciary on H.B. No. 2271**

The purpose of this bill is to clarify the authority of the Department of Agriculture (DOA) regarding agricultural public lands (that are not agricultural park lands) that were transferred to DOA by the Department of Land and Natural Resources 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. Further, this bill:

- (1) Requires the Board of Agriculture 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 non-agricultural park lands under the jurisdiction of DOA.

DOA, the Hawaii Agriculture Research Center, and Hawaii Farm Bureau Federation testified in support of this bill.

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, 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. 2271, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2271, H.D. 1.

Signed by all members of the Committee except Representative Caldwell.

**SCRep. 621-06      Judiciary on H.B. No. 2440**

The purpose of this bill is to protect student-athletes and educational institutions from potential harm and unethical practices of athlete agents by enacting the Uniform Athlete Agents Act developed by the National Conference of Commissioners on Uniform State Laws.

The Department of Education and Commission to Promote Uniform Legislation testified in support of this bill. The Office of Information Practices, Department of Commerce and Consumer Affairs, Professional and Vocational Licensing Division, and Regulated Industries Complaints Office provided comments.

Your Committee has amended this bill by:

- (1) Changing the categorization of applications for registration and renewals of registration from "public records" to "government records";
- (2) Replacing the provisions establishing registration and renewal fees with those giving the Director of Commerce and Consumer Affairs authority to establish fees and expenses by rules adopted pursuant to Chapter 91, Hawaii Revised Statutes (HRS);
- (3) Changing "administrative penalties" to "civil penalties," providing fines, and making each day of violation or failure to comply a separate offense;
- (4) Adding language authorizing the Director to adopt, amend, and repeal rules to effectuate the purpose of the new chapter pursuant to Chapter 91, HRS;
- (5) Changing the effective date to July 1, 2006, to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for style, clarity, and consistency.

Your Committee acknowledges the concerns raised by several testifiers regarding the exemption from sunrise analysis under section 26H-6, HRS, and request to reexamine whether the exemption is warranted. Your Committee believes these are legitimate concerns that deserve further discussion in subsequent committees.

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. 2440, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2440, H.D. 1.

Signed by all members of the Committee except Representative Caldwell.

**SCRep. 622-06      Judiciary on H.B. No. 937**

The purpose of this bill is to enhance the delivery of juvenile justice services by establishing the Commission on Juvenile Justice (Commission) within the Department of Human Services to have oversight of the Hawaii Youth Correctional Facility (HYCF) and Office of Youth Services (OYS).

The Department of the Attorney General and OYS offered comments.

Your Committee has amended this bill by:

- (1) Changing the effective date of the Act, except for section 4, to July 1, 2007, since the amendments related to placing HYCF and its administrator under the supervision of the Commission should follow the establishment and creation of the Commission on July 1, 2007;
- (2) Changing the effective date of section 4 of the Act, which appropriates funds to create the Commission, 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 937, 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. 937, H.D. 2.

Signed by all members of the Committee except Representative Caldwell.

**SCRep. 623-06      Judiciary on H.B. No. 2503**

The purpose of this bill is to enable the Hawaii Public Housing Administration (Administration) or designated county agencies to more efficiently remove, process, and dispose of derelict vehicles by removing the provision that a vehicle be 10 years old or older to be considered derelict. This bill also deletes references to the Housing and Community Development Corporation, replacing them with reference to the Hawaii Public Housing Administration.

The Department of the Attorney General, Mayor of the County of Maui, and Windward Ahupua'a Alliance testified in support of this bill. The Department of Customer Services of the City and County of Honolulu supported the intent of this measure.

Current law provides for derelict vehicles with expired registrations; however, your Committee finds that these vehicles are rarely claimed or purchased due to the lack of care and inoperable conditions. Therefore, it is no longer necessary to make provisions for derelict vehicles that fall under a previous registration period.

Accordingly, 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, 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. 2503, 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. 2503, H.D. 2.

Signed by all members of the Committee except Representative Caldwell.

**SCRep. 624-06      Judiciary on H.B. No. 2778**

The purpose of this bill is to ensure and improve access to state and county government agencies to people who may experience language barriers because they may not speak or understand English.

Specifically, this bill improves access to local government bodies by:

- (1) Providing that the Department of Labor and Industrial Relations (DLIR) shall provide oversight, central coordination, and technical assistance to agencies covered under this bill in its implementation of the provisions of this part to ensure that the provision of services covered by entities meets acceptable standards of translation or interpretation;
- (2) Requiring that agencies covered under this bill shall establish a plan for oral and written language access as provided by administrative rules adopted by DLIR pursuant to Chapter 91, Hawaii Revised Statutes (HRS);
- (3) Establishing and funding the position of a Language Access Director within DLIR to coordinate and supervise activities established by this bill and funding the Director's office and staff; and
- (4) Creating the Language Access Advisory Council (Council) to advise the Language Access Director and provide community input on:
  - (A) Implementation and compliance of state and county agencies in their provision of language access services; and
  - (B) The quality and adequacy of various language access services provided by state and county agencies.

DLIR, Na Loio, the Domestic Violence Clearinghouse and Legal Hotline, Hawaii Interpreter Action Network, American Cancer Society Hawaii Pacific, Inc., Kokua Kalihi Valley, United Filipino Council of Hawaii, Catholic Charities Hawaii, and numerous concerned individuals supported this bill. The Department of Health, Judiciary, and Hawaii Civil Rights Commission supported the intent of this measure. The Department of the Attorney General provided comments.

Your Committee has amended this bill by:

- (1) Amending section 368-1.5, HRS, to permit persons denied language accessible services by the state, counties, and service providers receiving state or county funding, to file a complaint with the Hawaii Civil Rights Commission;
- (2) Clarifying that the term "covered entity" applies to state government agencies;



- (3) Providing that no information shall be disclosed that identifies an individual;
- (4) Requiring DLIR to adopt rules pursuant to Chapter 91, HRS, through which a covered entity shall develop plans for language access;
- (5) Clarifying that the provisions of the bill apply to boards as well as other entities;
- (6) Requiring the Language Access Director to submit a report to the Governor and the Legislature no later than 20 days prior to the convening of each Regular Session, beginning with the Regular Session of 2007;
- (7) Changing the effective date to July 1, 2006; and
- (8) 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. 2778, 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. 2778, H.D. 2.

Signed by all members of the Committee except Representative Caldwell.

**SCRep. 625-06      Judiciary 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; and
- (2) Allowing the counties to regulate agricultural tourism by ordinance.

The Department of Agriculture, Office of Planning of the Department of Business, Economic Development, and Tourism, Hawaii Tourism Authority, Hawaii Agriculture Research Center, Kamehameha Schools, Windward Ahupua'a Alliance, and C&H Farms testified in support of this bill. The Mayor of Maui County, Hawaii Farm Bureau Federation, Maui County Farm Bureau, and the University of Hawaii College of Tropical Agriculture and Human Resources supported this measure with amendments. The Land Use Research Foundation of Hawaii and Sierra Club, Hawaii Chapter, provided comments.

Your Committee has amended this bill by:

- (1) Requiring, instead of allowing, the counties to establish ordinances regulating agricultural tourism;
- (2) Changing the effective date to July 1, 2006, 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. 2145, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Tourism & Culture in the form attached hereto as H.B. No. 2145, H.D. 2.

Signed by all members of the Committee except Representative Caldwell.

**SCRep. 626-06      Economic Development & Business Concerns on H.B. No. 3065**

The purpose of this bill is to diversify Hawaii's economy by:

- (1) Increasing the amount of tax credits that can be issued and transferred by the Hawaii Strategic Development Corporation to \$120,000,000;
- (2) Allowing tax credits to apply towards insurance premium taxes;
- (3) Requiring that tax credits be applied to Hawaii companies; and
- (4) Authorizing the Hawaii Strategic Development Corporation to use refundable credits instead of contingent tax credits.

The Hawaii Science and Technology Council, Hawaii Venture Capital Association, Novasol, Referentia Systems, Inc., and Hawaii Crop Improvement Association testified in support of this bill. The Department of Business, Economic Development, and Tourism and Hawaii Strategic Development Corporation supported the intent of this measure. The High Technology Development Corporation and Tax Foundation of Hawaii 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. 3065 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ching.

**SCRep. 627-06      Economic Development & Business Concerns on H.B. No. 2181**

The purpose of this bill is to develop existing economic and natural resources into innovative, profit-generating, and efficient entities by creating the Hawaii Innovations Fund (Fund) and the Fund Community Board within the University of Hawaii (UH). The Fund will be used to fund grants to individuals or businesses engaged in research or product development in the life sciences or advanced technology fields.

UH, The High Technology Development Corporation, UH Connections, Office of Hawaiian Affairs, Hawaii Science & Technology Council, NovaSol, Referentia Systems, PacifiCap, Trex Enterprises Corporation, and Enterprise Honolulu testified in support of this bill. The Department of Business, Economic Development, and Tourism, Hawaii Strategic Development Corporation, and Hawaii Technology Development Venture supported the intent of this measure.

Your Committee recognizes that investments in high technology research and development can positively impact the state's economy. Managing investments and the resulting enterprises must be done cautiously and with the best interest of the state in mind.

Accordingly, your Committee has amended this bill by deleting its content and replacing it with provisions that:

- (1) Establish the Hawaii Innovations Partnership Corporation (Corporation), to be administratively attached to the Department of Budget and Finance (B&F), to promote advanced technology, life sciences, and renewable energy in Hawaii;
- (2) Establish the Hawaii Innovations Partnership Special Fund (Special Fund) to be used for operating costs and professional investor services;
- (3) Establish the Hawaii Innovations Partnership Research and Development Fund to be used for research and development grants for the Research and Development Program established in this measure and for technical business support for funded projects;
- (4) Establish the Hawaii Innovations Partnership Investment Fund to be used for investments under the Venture Capital Investment Program established in this measure, and for technical business support for funded projects;
- (5) Appropriate \$100,000,000 to the Special Fund; and
- (6) Appropriate one-half percent of the general revenues in fiscal years 2007-2008, 2008-2009, 2009-2010, and 2010-2011 to the Special Fund.

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. 2181, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2181, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ching.

**SCRep. 628-06 Economic Development & Business Concerns on H.B. No. 3087**

The purpose of this bill is to provide certain state agencies that provide health care the flexibility to purchase health care goods and services. Specifically, this bill amends the State Procurement Code (Code) to, among other things:

- (1) Exempt purchases of medical equipment and services from the requirements of the Code;
- (2) Establish the Chief Executive Officer of the Hawaii Health Systems Corporation (HHSC) as the Chief Procurement Officer of HHSC;
- (3) Allow the service of certain design professionals to be procured as a small purchase, sole source or emergency procurement; and
- (4) Increase the threshold exemption amount for small purchases from \$25,000 for \$100,000.

The Office of the Governor, HHSC, HHSC Kauai Region, and several board members of HHSC testified in support of this bill. The State Procurement Office and Department of Accounting and General Services supported the measure in part, but opposed other parts of the measure. The American Institute of Architects Hawaii State Council and Diagnostic Laboratory Services, Inc. opposed this measure.

Your Committee has amended this bill by:

- (1) Deleting the exemption for purchases of medical goods and services from requirements of the Code;
- (2) Establishing the administrator of each hospital in HHSC or designee, instead of the Chief Executive Officer of HHSC as the Chief Procurement Officer;
- (3) Removing the provision relating to the procurement of design professional services;
- (4) Removing HHSC from the list of agencies that may approve certification of appropriations for contracts awarded through competitive sealed bidding or proposals and sole source procurements;
- (5) Deleting the specific exception of HHSC from the definitions of "agency" and "purchasing agency" in the Code; 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 Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3087, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 3087, H.D. 1.

Signed by all members of the Committee except Representative Ching.

**SCRep. 629-06 Higher Education on H.B. No. 3173**

The purpose of this bill is to help increase employment opportunities for students and alumni of the University of Hawaii at Hilo (UHH) by appropriating funds for workforce development.

UHH supported the intent of this bill.

Your Committee has amended this measure by:

- (1) Adding the provisions of H.B. 3174 making an appropriation to the UHH College of Pharmacy in response to a shortage of licensed pharmacists throughout the mainland and Hawaii. UHH supported this bill as long as it does not replace or adversely impact priorities as indicated in the Board of Regents Approved Executive Supplemental Budget (Budget). Testimony in support was also received from the Director of Clinical Pharmacy Training Grant-HRSA/DOE, and the College of Hawaiian Language at UHH;
- (2) Adding the provisions of H.B. 3176 appropriating funds to the UHH Native Hawaiian Initiative to provide opportunities and access for native Hawaiians and to address a declining trend in native Hawaiian student enrollment at UHH. UHH supported this bill as long as it does not replace or adversely impact priorities as indicated in the Budget;
- (3) Adding the provisions of H.B. 3177 making an appropriation for the UHH North Hawaii Education Research Center. UHH supported this bill as long as it does not replace or adversely impact priorities as indicated in the Budget;
- (4) Supporting the Entrepreneurship Training and Technology Management program in the College of Business and Economics which provides training in the management of small enterprises and business startups enabling graduates to establish small businesses on the Big Island;
- (5) Adding provisions of H.B. 3169 appropriating funds to the UHH Small Business Development Center which provides quality and effective programs to eligible individuals to increase entrepreneurial knowledge and skills by providing consulting, training, and other services to the general public. The Hawaii Small Business Development Center Network testified in support of this bill with the recommendation that Section 3 of this measure be amended to bring it into alignment with the Small Business Development Center Program as defined in federal law regulations (15 USC 648(a) Section 21 and 13 CFR 130) by deleting the words following the semi-colon beginning on line 16 and ending on line 18 of the bill. The Department of Business, Economic Development, and Tourism supported this bill as long as it does not replace or adversely impact priorities as indicated in the Budget;
- (6) Providing support for the College of Agriculture, Forestry, and Natural Resource Management to enable it to continue to grow and enhance the opportunities for students to understand agricultural sciences, providing jobs in rural areas of the Big Island, and ensuring the protection of the natural resources the Big Island is known for;
- (7) Adding the provisions of H.B. 3170 appropriating funds to bring UHH in compliance with Title IX of the 1972 Educational Amendments of the 1964 Civil Rights Act. UHH supported this bill as long as it does not replace or adversely impact priorities as indicated in the Budget;
- (8) Providing funding to support and strengthen UHH programs for our future teachers;
- (9) Appropriating funds for UHH to address the statewide shortage of nurses enabling UHH to:
  - (A) Increase recruitment and class sizes by increasing faculty and program support; and
  - (B) Address the faculty shortage with salary adjustments to achieve parity with the market for nurses in hospitals and faculty in private universities;
- (10) Adding the provisions of H.B. 3172 appropriating funds to the UHH Student Services to improve the quality of student services offered during the period of unprecedented growth in which student enrollment levels have increased 25 percent from 1997 to 2003, while staffing levels in the office of student affairs have remained constant. UHH supported this bill as long as it does not replace or adversely impact priorities as indicated in the Budget and Student Volunteers from the UHH Student Affairs office;
- (11) Adding the provisions of H.B. 3171 appropriating funds to meet the projected increases in utility costs, coupled with increases in the amount of space being occupied to maintain current utility usage levels at the projected future costs next year for its day-to-day business operations. UHH supported this bill as long as it does not replace or adversely impact priorities as indicated in the Budget;
- (12) Eliminating the specific amounts and allocation of appropriations; and
- (13) Making technical, nonsubstantive amendments for consistency, clarity, 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. 3173, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3173, 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. 630-06 Economic Development & Business Concerns on H.B. No. 1368**

The purpose of this bill is to end controversy over the legality of thousands of homes and lots located on agricultural lands by authorizing each county to establish an advisory group to assist the county planning department to identify land use policies and development standards and to identify lands suitable for reclassification into the rural districts.

Prior to the public hearing, your Committee circulated a proposed draft that replaced the contents of this bill with the language of H.B. No. 2525 (Proposed HD1) and received testimony on the Proposed HD1. Specifically, the Proposed HD1 permitted certain dwellings on agricultural lands provided that:

- (1) The dwellings exist on the effective date of this Act;
- (2) The developer has obtained final subdivision approval for at least a portion of the project, has commenced construction of project infrastructure, and sold individual lots prior to the effective date of this Act; and
- (3) Not more than 10 percent of the project area consists of soils classified by the Land Study Bureau's Detailed Land Classification As Overall Master Productivity Rating Class (Soil Rating Class) A or B.

The Hawaii County Mayor, Planning Department of the Hawaii County, Discovery Maps and Guides, West Hawaii Today, Hawaii Government Employees Association AFSCME Local 152, AFL-CIO, Kona Coalition for Concerned Citizens, and numerous concerned citizens testified in support of the Proposed HD1. The Office of Planning supported the Proposed HD1 with an amendment. Hawaii Leeward Planning Conference supported the intent of the Proposed HD1. The Office of Hawaiian Affairs, Outdoor Circle, Life of the Land, Sierra Club Hawaii Chapter, Hawaii's Thousand Friends, Rocky Mountain Institute, Kahea: The Hawaiian-Environmental Alliance, and numerous concerned individuals opposed the Proposed HD1. The Department of Planning and Permitting of the City and County of Honolulu and several concerned individuals offered comments.

In 1976, the Legislature amended the state land use law by limiting dwellings on Soil Rating Class A and B to "farm dwellings" and provided specific requirements that constituted farm dwellings. The Land Use Commission applied the farm dwelling requirement for all other soil classifications outside of Soil Rating Class A and B but did not provide specific minimum standards for the level of agriculture required for farm dwellings. Permit approvals for farm dwellings and accessory agricultural uses were left to the individual counties to decide, the only requirement being that lot sizes had to be a minimum of one acre. The ambiguity and resulting gray areas of this law for farm dwellings located on Soil Rating Class C, D, E, and U allowed the development of numerous one acre, single-dwelling homes on agricultural lands that had little or no connection to agriculture.

Your Committee notes the ambiguity of existing land use laws and intends to proceed in a manner that takes the best interest of the state in mind. Allowing existing developments on agricultural lands to proceed will prevent future liability upon the state and individual counties who provided numerous permits for developments. In deciding the best course of action, your Committee took into consideration the Legislature's lack of specifications for "farm dwellings" and "accessory agricultural uses" on Soil Rating Class C, D, E, and U and attempted to avoid setting a legal precedence that would lead to further liability.

Your Committee finds that passage of this bill will end controversy regarding the ambiguity of state land use laws and looks forward to finding permanent solutions to development on agricultural lands. The Constitutional Convention of 1978 charged the Legislature with identifying important agricultural lands and it is our responsibility to continue this duty in the most practicable means possible.

After much consideration and discussion, your Committee has amended this bill by:

- (1) Substituting its contents with the Proposed HD1; 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. 1368, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1368, H.D. 1.

Signed by all members of the Committee except Representative Ching.

**SCRep. 631-06 Finance on H.B. No. 1920**

The purpose of this bill is to promote financial awareness by expanding "Financial Literacy Month" to include all residents of Hawaii.

A member of Hawaii's Congressional Delegation, the Department of Education, Department of Commerce and Consumer Affairs, Hawaii Alliance for Community Based Economic Development, Hawaii Council on Economic Education, Hawaii Credit Union League, and a concerned individual testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1920 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. 632-06 Finance on H.B. No. 2210**

The purpose of this bill is to authorize the use of funds previously appropriated to Pearlridge Elementary School to be used for the renovation, as well as the expansion, of the cafeteria.

The Representative of the 33<sup>rd</sup> District and many concerned individuals testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2210 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. 633-06 Finance on H.B. No. 1794**

The purpose of this bill is to provide income tax relief by adjusting the state income tax brackets.

The Governor's Policy Office, Department of Taxation, and National Federation of Independent Business-Hawaii testified in support of this bill. The Tax Foundation of Hawaii submitted comments.

Your Committee has amended this measure by changing its effective date to July 1, 2020, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1794, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1794, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Kawakami.

**SCRep. 634-06 Judiciary 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, and Office of Hawaiian Affairs testified in support of this bill. The Department of Land and Natural Resources submitted comments.

Over the years, vehicular traffic in the NAR has degraded the coastal dune ecosystem. This area represents the last relatively intact coastal dune ecosystem remaining on Oahu and should be preserved.

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. 2133 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Karamatsu.

**SCRep. 635-06 Finance on H.B. No. 2412**

The purpose of this bill is to effectuate its title.

H.B. No. 2412 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 Finance that is attached to this report, your Committee is in accord with the action to report out H.B. No. 2412, as amended herein, and recommends that it be recommitted to the Committee on Finance, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 2412, H.D. 1.

Signed by all members of the Committee except Representative Kawakami.

**SCRep. 636-06 Consumer Protection & Commerce on H.B. No. 2972**

The purpose of this bill is to effectuate its title.

H.B. No. 2972 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. 2972, 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. 2972, H.D. 1.

Signed by all members of the Committee except Representatives Ito, Kanoho, Morita and Stonebraker.

**SCRep. 637-06 Consumer Protection & Commerce/Judiciary on H.B. No. 1935**

The purpose of this bill is to protect potential purchasers of residences in planned communities by:

- (1) Requiring sellers to provide a prospective purchaser with copies of the planned community association declaration and documents; and
- (2) Allowing the prospective purchaser to cancel the sales contract within 15 days of receipt of the declaration and documents.

The Waikoloa Community Action Group and a concerned citizen supported this bill. A concerned citizen supported this measure with amendments. The Hawaii Association of Realtors and Mililani Town Association opposed this bill.

While in agreement with the intent of this bill to provide protection for prospective buyers of units within a planned community, your Committees believe that the association declaration and documents should be disclosed to prospective buyers at the same time as other material facts about the property. Accordingly, your Committees have included the planned community association declaration and documents in the disclosure statement required by Chapter 508D, Hawaii Revised Statutes (HRS), Mandatory Seller Disclosures in Real Estate Transactions.

Your Committee finds that as amended, the bill provides the prospective purchaser with a right to rescind the sales contract pursuant to section 508D-5, HRS, within 15 days of receiving the disclosure statement.

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. 1935, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1935, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 638-06 Consumer Protection & Commerce on H.B. No. 1796**

The purpose of this bill is to afford persons living in counties other than Honolulu, adequate notice of a mortgage foreclosure on property located in the county, by requiring that the notice be given in a newspaper published in the county.

The Hawaii Association of Realtors supported this bill. The Mortgage Bankers Association of Hawaii opposed this measure. The Hawaii Financial Services Association commented on this bill.

Your Committee finds that foreclosure by power of sale law currently requires notice of foreclosure to be published in the county in which the property is located, in a newspaper having general circulation in the county. This allows notice for counties other than Honolulu to be published in newspapers with a statewide circulation. However, in some cases, residents of these counties only subscribe to the smaller, local papers. As a result, the law does not ensure that these individuals receive notice of the foreclosure of a property in their county. This bill attempts to address this problem.

Your Committee has amended this bill so that it will better achieve its purpose, by requiring that:

- (1) In Honolulu, notice of foreclosure is to be given three times in a newspaper having general circulation on Oahu; and
- (2) In counties other than Honolulu, at least two of the three required notices are to be given in a newspaper published in, and having the largest general circulation in the county.

Technical, nonsubstantive amendments were also made for clarity.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1796, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1796, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Ito, Kanohe, Morita and Stonebraker.

**SCRep. 639-06 Higher Education on H.B. No. 3194**

The purpose of this bill is to make Hawaii statutes consistent with federal law by reducing, from four years to three years, the terms of the members of the Hawaii Commission on National and Community Service.

The University of Hawaii and the Hawaii Commission for National and Community Service supported this bill.

Your Committee has amended this bill by making technical, nonsubstantive amendments for 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. 3194, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3194, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 640-06 Water, Land, & Ocean Resources on H.B. No. 1930**

The purpose of this bill is to promote and preserve the ahupuaa of Haena in Kauai as a subsistence fishery resource for inhabitants of the ahupuaa by designating as the Haena Community-based Subsistence Fishing Area (Haena Fishing Area), all state waters that are contiguous to the ahupuaa.

The Office of Hawaiian Affairs, The Nature Conservancy, Hanalei Watershed Hui, Association of Hawaiian Civic Clubs, Hawaii Reserves, Inc., Native Hawaiian Legal Corporation, Limahuli Garden and Preserve of the National Tropical Botanical Garden, and several concerned individuals testified in support of this bill. The Department of Land and Natural Resources (DLNR), Community Conservation Network, and Pacific Islands Resource Management Institute supported this measure with amendments. The Ocean Tourism Coalition, Hawaii

Nearshore Fishermen, Captain Andy's Sailing, Inc., Kayak Kauai, Kauai Sea Tours, Outfitters Kauai, Lahaina Divers, Frogman Charters, Maui-Molokai Sea Cruises, Aqua Lung Pacific, Maui Dive Shop, Holoholo Charters, Inc., Na Pali Kayak, and several concerned individuals opposed this measure.

Your Committee considered setting the following boundaries for the Haena Fishing Area:

- (1) Western boundary: The same as the boundary between Haena State Park and Na Pali State Park;
- (2) Eastern boundary: The boundary between Haena and Wainiha as specified in the tax map key of the county of Kauai; and
- (3) Seaward boundary: One mile from shore following the contours of the coast line.

However, after discussion, your Committee decided to leave the fixing of the boundary to an inclusive community process. To further promote the inclusive process, your Committee has amended this bill by:

- (1) Providing for the regulation, rather than the prohibition, of certain enumerated activities in the bill, such as commercial purposes and activities that require commercial marine licenses;
- (2) Requiring DLNR, in adopting regulations, to consult with all interested parties of the ahupuaa in addition to the inhabitants;
- (3) Authorizing DLNR to determine an appropriate location of the Haena Fishing Area, after consultation with the inhabitants and interested parties of the ahupuaa; 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 Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1930, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1930, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 641-06 Health/Human Services on H.B. No. 2098**

The purpose of this bill is to allow people who are developmentally disabled or mentally retarded the freedom to choose to live in a residential setting of their choice provided:

- (1) The person can be sustained with supports, and the supports are attached to the person; and
- (2) Adequate consideration and recognition is given to the person's safety and well-being.

The State Council on Developmental Disabilities, Disability and Communication Access Board, The Arc of Kauai, Hawaii Disability Rights Center, and Hawaii Centers for Independent Living supported this bill. The Department of Health (DOH) supported the intent of this measure. The Department of Human Services submitted comments.

Your Committees have amended this bill by:

- (1) Requiring that DOH submit preliminary and final reports to the Legislature no later than 20 days prior to the convening of the regular sessions of 2007 and 2008, respectively, on:
  - (A) The number of persons with developmental disabilities or mental retardation who choose to live independently as provided by this Act;
  - (B) The financial impact this Act has had on the State; and
  - (C) Any findings and recommendations, including any proposed legislation;
- (2) Establishing a sunset date of June 30, 2008; 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. 2098, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2098, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Stonebraker.

**SCRep. 642-06 Public Safety & Military Affairs on H.B. No. 2457**

The purpose of this bill is to add as an objective and policy to the state plan, recognition of the military presence in the state as an area of important state concern.

The Chamber of Commerce of Hawaii supported this bill with amendments. The Department of Business, Economic Development, and Tourism's Office of Planning provided comments.

Your Committee finds that the continued operations of existing and future military installations are necessary to the well-being of the State's economy and security.

Your Committee has amended this bill by:

- (1) Replacing the term "military presence" with "defense and security presence" to encompass the additional dimensions of the nation's security program; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2457, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2457, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 643-06      Judiciary on H.B. No. 1977**

The purpose of this bill is to establish the Structured Settlement Protection Act to implement procedures for the creation of annuities used as settlement proceeds in structured settlements.

The American Council of Life Insurers, National Association of Insurance and Financial Advisors, National Association of Settlement Purchasers, and a concerned individual testified in support of this bill.

Your Committee has amended this bill by:

- (1) Removing references to workers' compensation claims with regard to the definitions of "settled claim" and "structured settlement agreement";
- (2) Providing a non-hearing option for determining applications for approval of transfers of structured settlement payment rights;
- (3) Providing that only the court that approved the structured settlement agreement can hear an application for a transfer of the structured settlement payment rights; 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. 1977, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1977, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 644-06      Judiciary on H.B. No. 1995**

The purpose of this bill is to protect children by expanding the crimes of endangering the welfare of a minor in the first degree and second degree to include situations in which an individual causes or permits a minor to:

- (1) Endure unjustifiable physical pain or mental suffering; or
- (2) Be injured or be placed in a dangerous situation.

The Department of Public Safety testified in support of this bill. The Office of the Public Defender opposed this measure.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2096, to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for consistency and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1995, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1995, 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. 645-06      Judiciary on H.B. No. 2250**

The purpose of this bill is to extend the statute of limitations for sexual offenses committed against minors to:

- (1) Ten years for a class A felony; and
- (2) Six years for a class B or C felony.

The Department of the Attorney General and several concerned individuals 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 Honolulu Police Department provided comments.



Your Committee has amended this bill by:

- (1) Extending the statute of limitations to:
  - (A) For a class A felony, ten years after the victim's 18<sup>th</sup> birthday; and
  - (B) For a class B or C felony, six years after the victim's 18<sup>th</sup> birthday;
 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. 2250, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2250, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Kanohe and Karamatsu.

**SCRep. 646-06      Judiciary on H.B. No. 2410**

The purpose of this bill is to clarify that the exception from certain requirements of the Uniform Controlled Substances Act for any over-the-counter sale, transfer, furnishing, or receipt of a drug containing pseudoephedrine or norpseudoephedrine is subject to compliance with the additional restrictions on the sale of over-the-counter pseudoephedrine products imposed by Act 193, Session Laws of Hawaii 2005.

The Department of Public Safety testified in support of this bill.

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. 2410, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2410, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Kanohe and Morita.

**SCRep. 647-06      Judiciary on H.B. No. 2780**

The purpose of this bill is to give a first-time drug offender who was sentenced before July 1, 2002, another chance by adding a new section to Act 161, Session Laws of Hawaii 2002 (SLH), that allows the offender to:

- (1) Apply for resentencing, if the offender has a satisfactory record of drug treatment and drug abstinence and no other criminal record; and
- (2) Upon re-sentencing, apply for expungement of the criminal record; provided that the court has not granted the offender a prior expungement.

The Office of the Public Defender and Community Alliance on Prisons testified in support of this measure. The Department of the Attorney General, Department of the Prosecuting Attorney, and Honolulu Police Department opposed this bill.

Your Committee has amended this measure by:

- (1) Adding a new section to Chapter 706, Hawaii Revised Statutes, rather than SLH;
- (2) Changing the sentencing cut-off date to July 1, 2004;
- (3) Allowing a first-time drug offender, involving possession and use, but not manufacturing or distributing, who is sentenced to probation to apply for expungement;
- (4) Requiring the court to expunge the criminal record, if the offender has successfully completed a substance abuse treatment program and has complied with other conditions of the court; and
- (5) Making technical, nonsubstantive amendments, for consistency, 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. 2780, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2780, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Karamatsu.

**SCRep. 648-06      Judiciary on H.B. No. 2895**

The purpose of this bill is to further protect victims of sex assault and child abuse by:

- (1) Extending the statute of limitations for a civil action to 20 years after the victim reaches the age of majority; and
- (2) Providing a transition period for the implementation of the extended statute of limitations, allowing a civil action to be brought before July 1, 2007, if no more than 35 years have passed since the victim reached the age of majority.

Several concerned individuals testified in support of this bill.

Your Committee has amended this bill by:

- (1) Reducing the proposed statute of limitations from 20 years to 10 years after the victim reaches the age of majority;
- (2) Reducing the transition period's statute of limitation from 35 years to 25 years after the victim reached the age of majority;
- (3) Clarifying the effective date; 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. 2895, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2895, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Kanoho and Karamatsu.

**SCRep. 649-06      Judiciary on H.B. No. 2899**

The purpose of this bill is to clarify judgment liens by:

- (1) Making orders of the state court relating to the payment of money, a lien upon real property when a copy is recorded in the Bureau of Conveyances;
- (2) Making the lien period correspond to the length of time an underlying money judgment, order, or decree is in force; and
- (3) Eliminating the requirement that the judgment debtor's social security number be attached to the judgment at the time of recordation at the Bureau of Conveyances.

The Hawaii Bankers Association and Collection Law Section of the Hawaii State Bar Association testified in support of this bill. The Department of Commerce and Consumer Affairs submitted comments.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2899, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2899, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Kanoho and Morita.

**SCRep. 650-06      Judiciary on H.B. No. 3250**

The purpose of this bill is to:

- (1) Limit the amount of any supersedeas bond or other form of security necessary to stay execution of a judgment on a civil case pending appeal; and
- (2) Authorize the court to set the bond up to the total amount of the judgment if the appellant dissipates assets to avoid payment of the judgment during the pending appeal.

The Hawaii Business League, Grocery Manufacturers of America, and a concerned individual testified in support of this bill.

Your Committee has amended this bill by:

- (1) Excluding supersedeas bonds posted by tobacco master settlement agreement signatories and their successors and affiliates, which are limited under section 328L-7, Hawaii Revised Statutes; 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. 3250, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3250, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 651-06      Judiciary on H.B. No. 386**

The purpose of this bill is to revise the list of individuals exempt from jury service by:

- (1) Repealing the exemptions except for jurors who served within the last year; and
- (2) Creating exemptions for persons who live more than 70 miles from the court and persons who are age 70 or older.

The League of Women Voters of Hawaii testified in support of this bill. The Office of the Public Defender opposed this measure. The Judiciary offered comments.

Your Committee has amended this bill by:

- (1) Reinstating the exemption of a member of a police or fire department from jury service;
- (2) Increasing the age of a person exempt from jury service from 70 years to 80;
- (3) Exempting a member of an emergency medical services agency from jury service; and
- (4) 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. 386, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 386, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Caldwell.  
(Representatives Karamatsu, Sonson, Souki and Thielen voted no.)

**SCRep. 652-06      Judiciary on H.B. No. 1233**

The purpose of this bill is to advance civil rights by prohibiting discrimination in a place of public accommodation based on sexual orientation or gender identity or expression.

The American Civil Liberties Union, Lambda Aloha, The Center, Gay, Lesbian, Bisexual, and Transgendered Caucus of the Democratic Party of Hawaii, PFLAG-Oahu, Civil Unions-Civil Rights Movement, Community Alliance on Prisons, Democratic Party of Kauai, Gay and Lesbian Education and Advocacy Foundation, Ohana Metropolitan Community Church of Honolulu, and several concerned individuals testified in support of this bill. An individual testified in opposition to this measure. The Hawaii Civil Rights Commission and an individual commented on this bill.

Your Committee has amended this measure by:

- (1) Deleting the purpose section;
- (2) Deleting the definition of and references to "gender identity or expression"; 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. 1233, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1233, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Caldwell.

**SCRep. 653-06      Judiciary on H.B. No. 2208**

The purpose of this bill is to extend, from 6 months to 2 years, the statute of limitation for an individual to make a claim against a county:

- (1) For injuries or damage to property received while on public property; or
- (2) Due to negligence of a county official or employee;

thereby making the statute of limitation for counties consistent with that of the State and federal governments.

Consumer Lawyers of Hawaii testified in support of this bill.

Your Committee finds that the counties are in the best position to determine how each should be served with notice of claims for damages. Accordingly, your Committee has amended this bill by permitting the counties to identify, by charter, the individual to whom the claimant should give notice of claim for injuries or damages sustained on public property or as a result of the negligence of a county official or employee.

Your Committee has further 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. 2208, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2208, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Kanoho and Karamatsu.

**SCRep. 654-06      Judiciary on H.B. No. 2233**

The purpose of this bill is to protect landowners and their property rights by prohibiting the taking of private property through the use of eminent domain for urban or economic development purposes that would result in the creation of nongovernmental uses or improvements.

The Hawaii Association of Realtors testified in support of this bill. The Department of the Corporation Counsel of the City and County of Honolulu opposed this measure. The Department of Planning and Permitting of the City and County of Honolulu offered comments.

In *Kelo v. New London*, (04-108) June 23, 2005, the United States (U.S.) Supreme Court held that the takings clause of the Fifth Amendment of the United States Constitution does not necessarily prohibit the use of eminent domain for economic development purposes to be carried out by a private party. However, the U.S. Supreme Court in *Kelo* also emphasized the ability of states to place additional "public use" requirements for government takings that exceed federal baselines. Your Committee finds that while this bill is in response to *Kelo*, concerns have been raised that the original provisions of this measure may be overly broad and may preclude legitimate uses of the power of eminent domain that may eventually also involve private developers or other private parties, such as affordable housing or mass transit.

Accordingly, your Committee has amended this bill by:

- (1) Deleting the purpose and findings section;
- (2) Exempting the Housing and Community Development Corporation of Hawaii, Hawaii Community Development Authority, Aloha Tower Development Corporation, and any other State or county public corporate entities from the provisions of this bill; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2233, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2233, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Kanohe and Morita.

**SCRep. 655-06      Judiciary on H.B. No. 2404**

The purpose of this bill is to promote effective communication and coordination within government by allowing two or more members, but less than a quorum, of a board to:

- (1) Discuss individual positions relating to official board business at a meeting of another board or a public hearing of the Legislature; and
- (2) Attend and participate in discussions at presentations, including seminars, conventions, and community meetings, that involve matters relating to official board business,

when certain requirements are met.

The Office of Information Practices and Department of the Corporation Counsel of the City and County of Honolulu testified in support of this bill. The Society of Professional Journalists, Hawaii Chapter, opposed this measure. The League of Women Voters of Hawaii 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. 2404, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2404, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 656-06      Judiciary on H.B. No. 2859**

The purpose of this bill is to prevent livestock from breaking fences that keep them contained within the rancher's property by making neighboring landowners liable for knowingly creating conditions that allow the fence to become broken.

The Representative from the 7<sup>th</sup> Representative District, Hawaii Cattlemen's Council, and Hawaii Farm Bureau testified in support of this bill. The Department of Land and Natural Resources opposed this measure. FR Cattle Company offered comments.

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. 2859, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2859, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Kanohe and Morita.

**SCRep. 657-06      Judiciary on H.B. No. 2455**

The purpose of this bill is to set forth specific procedures for filling a vacancy in the office of a United States Senator. When a vacancy occurs that cannot be immediately filled at the following general election, this bill requires:

- (1) The Governor to immediately notify the chair of the political party that the vacating Senator belonged to;
- (2) The chair to call a meeting of the state central committee of that party which must be held within 20 days after the vacancy occurs;
- (3) The central committee to select a minimum of three persons qualified to fill the vacancy; these names are then submitted to the Governor; and
- (4) The Governor to make a temporary appointment from these names within 5 days.

Currently, when such a vacancy occurs, the law only requires that the Governor's temporary appointee be a registered member of the same political party as the vacating Senator.

The Oahu County Committee of the Hawaii Democratic Party, Americans for Democratic Action/Hawaii Chapter, and a concerned individual testified in support of this bill.

Your Committee has amended this bill by:

- (1) Deleting references to the state central committee and instead requiring the chair of the political party to submit the names of nominees to the Governor; 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. 2455, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2455, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 658-06      Judiciary/Legislative Management on H.B. No. 2454**

The purpose of this bill is to clarify the laws pertaining to vacancies for the United States Senate and Hawaii State Legislature by requiring:

- (1) The Governor to select a temporary appointment from a list of five prospective appointees submitted by the same political party as the vacator;
- (2) The appointee to be a registered member of the same political party as the vacator for an unspecified period of time immediately prior to the appointment;
- (3) For state legislative vacancies, the political party to submit the list of prospective appointees to the Governor within an unspecified period of time following the first day of the vacancy; and
- (4) The Governor, if the vacator is not a member of any political party, to appoint within 60 calendar days following the first day of the vacancy, a person who has not been a member of any political party for an unspecified period of time immediately prior to the appointment.

Americans for Democratic Action/Hawaii and several concerned individuals supported this bill and suggested amendments. The Oahu County Committee of the Hawaii Democratic Party offered comments.

Your Committees have amended this bill by:

- (1) Changing the term "vacator" to "prior incumbent";
- (2) Specifying that:
  - (A) In the case of prior incumbents who were members of a political party, prospective appointees must be and must have been, for at least six months immediately prior to the appointment, a registered member of the same political party as the prior incumbent; and
  - (B) In the case of prior incumbents who were not members of any political party, prospective appointees must not be and must not have been, for at least six months immediately prior to the appointment, a registered member of any political party;
- (3) Changing the effective date to July 1, 2006, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, style, and consistency.

As affirmed by the records of votes of the members of your Committees on Judiciary and Legislative Management that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2454, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2454, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Kanofo, Karamatsu, Morita and Souki.  
(Representatives Halford and Thielen voted no.)

**SCRep. 659-06      Water, Land, & Ocean Resources/Agriculture on H.B. No. 767**

The purpose of this bill is to promote the beauty of Hawaii's natural environment for residents and tourists by allowing day and overnight camps with parking areas on conservation and agricultural lands.

The Department of Land and Natural Resources (DLNR) and the Department of Planning and Permitting of the City and County of Honolulu supported this measure with amendments. The Department of Agriculture opposed this measure. The Hawaii Farm Bureau Federation offered comments.

Your Committees have amended this bill by:

- (1) Removing day and overnight camping with parking areas as a permitted use on agricultural lands; and
- (2) Changing the effective date to January 1, 2020, to promote further discussion.
- (3) Making technical, nonsubstantive amendments for clarity and style.

At this time, your Committees have removed the provision allowing camps on agricultural lands; however, it is worthy of further consideration through a forthcoming resolution.

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. 767, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 767, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 660-06 Consumer Protection & Commerce on H.B. No. 2319**

The purpose of this bill is to update and streamline the insurance statutes in conformity with federal law and national standards and improve Department of Commerce and Consumer Affairs (DCCA) Insurance Division (Division) efficiency by:

- (1) Allowing the Insurance Commissioner (Commissioner) to require insurers, mutual benefit societies, and health maintenance organizations to provide information prescribed by the National Association of Insurance Commissioners ("NAIC") (sections 431:3-212, 432:1-301, and 432D-2, Hawaii Revised Statutes (HRS));
- (2) Defining "gross premiums" as the amount of the policy or coverage premium charged by the insurer in consideration of the insurance contract, excluding fees or other charges added by the broker (sections 431:8-205 and 431:8-315, HRS);
- (3) Allowing service of process on an unauthorized insurer's agent (section 431:8-207, HRS);
- (4) For surplus lines broker, adjuster, or independent bill reviewer licenses, requiring inactivation for failure to pay fees or penalties, and allowing under certain conditions, reinstatement without examination for licenses that are inactive because of renewal fee nonpayment (section 431:8-310 and 431:9-232 HRS);
- (5) Making the penalty for a surplus lines broker's failure to file an annual statement or remit tax, discretionary instead of mandatory (section 431:8-316, HRS);
- (6) Conforming the definitions of "adjuster" and "independent bill reviewer" in section 431:9-105, HRS, to existing definitions in sections 431:9-105 and 431:9-241, HRS;
- (7) Requiring insurance producers, adjusters, and independent bill reviewers to notify:
  - (A) The Commissioner of the applicant's legal and trade name and before using an assumed name, and of any change of status, including name, address, phone or fax number, or email or website address; and
  - (B) The Business Registration Division of any change in status if the licensee is a registered business entity or has registered a trade name,
 (sections 431:9-203, 431:9A-107, and 431:9A-110, HRS);
- (8) Consolidating the section authorizing adjuster and bill reviewer license sanctions with provisions setting forth license sanction procedures (section 431:9-235, HRS);
- (9) Removing an unnecessary limitation on the scope of article 9A, governing insurance producer licensing (431:9A-101, HRS);
- (10) Removing the requirement that insurers provide a program of instruction for persons selling, soliciting, or negotiating limited line credit insurance (431:9A-106, HRS);
- (11) Removing the residency restriction on persons able to acquire an insurance producer's license by examination (431:9A-105, HRS);
- (12) Requiring a hearing on the Commissioner's imposition of license sanctions or civil penalties within 30 instead of 20 days of receipt of the written demand for a hearing (431:9A-112, HRS);
- (13) Changing continuing education requirements by:

- A) Requiring licensees to complete continuing education requirements in the 24 instead of 23 months prior to license renewal, and course providers to electronically submit certificates of completion to the Division within 15 days, instead of a month, of course completion (sections 431:9A-124, 431:9A-152, 431:9-154, and 431:9A-158 HRS);
  - B) Ensuring that course providers have valid continuing education course provider certificates and allowing the commissioner to suspend or revoke a certificate under certain circumstances (section 431:9A-151, HRS);
  - (C) Requiring course providers to submit applications for course approval to the Commissioner at least 60 days before the course will be offered, requiring prior approval before advertising or soliciting for the course, and providing that a continuing education course certificate may be renewed once for a two-year rather than one-year period (section 431:9A-153, HRS); and
  - (D) Clarifying that the effective date of a completed examination is the date the course provider receives the completed examination (section 431:9A-154, HRS);
- (14) Specifying that the exemption for self-employed persons from accident and health or sickness policy mandated coverages includes individuals included in the person's family coverage (section 431:10A-603, HRS);
  - (15) Specifying that insurer and managed care plan filings are to consist of two printed copies and one telephonic, optical, or electronic copy (sections 431:14-104 and 431:14F-105, HRS);
  - (16) Providing that surplus lines brokers are subject to Hawaii law, rather than the law of the surplus lines broker's state of domicile (section 431K-8, HRS);
  - (17) Removing sellers of motor vehicle service contracts from regulation as "providers," under the service contract law (section 481X-2, HRS);
  - (18) Clarifying that a service contract provider must place in trust a security deposit that is the larger of, instead of not less than, \$25,000 or 5 percent of the gross consideration received, less claims paid for the sale of service contracts (section 481X-4, HRS); and
  - (19) Making numerous technical, nonsubstantive amendments.

Your Committee received testimony in support of this bill from DCCA. The National Association of Insurance and Financial Advisers supported the bill in part. The American Council of Life Insurers, Hawaii Insurers Council, Hawaii Medical Service Association, and State Farm Insurance Companies commented on the bill.

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

- (1) Removing the sections requiring insurers to provide additional information as prescribed by NAIC;
- (2) Removing the reference to "independent" in the term "nonresident independent adjuster" in connection with the license exemption for these adjusters following a catastrophe;
- (3) Removing the requirement that an insurance producer notify the Commissioner of a change in home phone number; and
- (4) Making technical, nonsubstantive amendments for clarity and consistency.

Your Committee finds that the amendment to the nonresident adjuster exemption will allow State Farm to bring in its team of insurance adjusters from around the nation in the event of a catastrophe. The other amendments made by your Committee will remove unduly burdensome requirements that would have been imposed by the 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. 2319, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2319, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Ito, Kanoho, Morita and Stonebraker.

**SCRep. 661-06 Consumer Protection & Commerce/Judiciary on H.B. No. 2330**

The purpose of this bill is to protect individuals from the theft of their social security numbers, by restricting the uses and disclosures of social security numbers by businesses.

The Department of Commerce and Consumer Affairs and the Department of the Attorney General submitted testimony in support of this bill. Retail Merchants of Hawaii supported the intent of this measure. The American Council of Life Insurers opposed this bill. ILWU Local 142, Consumer Data Industry Association, and Hawaii Medical Service Association provided comments.

Your Committees have amended this bill by:

- (1) Providing that the State, its departments, offices, and agencies, but not the counties, must comply with the restrictions established by this bill;
- (2) Broadening the exception that allows social security numbers to be mailed under certain circumstances, to include:
  - (A) Any mailings made to confirm the accuracy of a social security number; and
  - (B) Mailings specifically requested by the individual identified by the social security number;

- (3) Including additional exceptions allowing:
- (A) The sharing of social security numbers between business affiliates;
  - (B) The collection, use, or release of a social security number as required by state or federal law;
  - (C) The use of social security numbers for internal verification or administrative purposes; and
  - (D) Disclosure of documents or records that are recorded or required to be open to the public under the constitution or state laws, or court rule or order;
- (4) Changing the effective date to July 1, 2006, 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 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. 2330, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2330, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Caldwell, Ito, Kanoho, Karamatsu and Morita.

**SCRep. 662-06 Consumer Protection & Commerce/Judiciary on H.B. No. 2453**

The purpose of this bill is to protect consumers by prohibiting financial institutions from offering a Hawaii resident an application for a pre-approved credit card or other financial product unless the offer is bona fide.

The Legal Aid Society of Hawaii supported the intent of this bill. The Hawaii Bankers Association opposed this bill.

Your Committees find that this bill requires that pre-approved financial products be offered to consumers in good faith, and not solely as a marketing ploy. Your Committees have amended this bill by:

- (1) Deleting the reference to "other financial product"; 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 Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2453, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2453, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 663-06 Judiciary/Legislative Management on H.B. No. 1844**

The purpose of this bill is to expand the dissemination of information regarding administrative rules of the State by requiring any state agency adopting, amending, or repealing an administrative rule to file two certified copies of the rule with the clerk of the Senate and the clerk of the House of Representatives.

The representative from the 7<sup>th</sup> District testified in support of this bill.

Your Committees have 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, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Judiciary and Legislative Management that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1844, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1844, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 664-06 Judiciary on H.B. No. 2299**

The purpose of this bill is to make statutory language more consistent with the United States Constitution by:

- (1) Stipulating that it shall not be unlawful, in any case of arrest for examination, to unreasonably refuse or fail to make a reasonable effort to send through a police officer or person other than the arrested person, a telephone, cable, or wireless message to the attorney of an arrested individual or member of the arrested individual's family; and
- (2) Deleting statutory provisions dictating police behavior when entering a house to arrest an individual suspected of a crime.

The Department of the Attorney General (AG), Department of the Prosecuting Attorney of the City and County of Honolulu (Prosecuting Attorney), and Honolulu Police Department testified in support of this bill. The Office of the Public Defender opposed this measure.



Your Committee understands the concerns raised by the AG and Prosecuting Attorney regarding recent cases decided by the Hawaii Supreme Court involving arrest and search warrants and access of arrested defendants to counsel. However, your Committee believes that police officers should make every reasonable effort to contact an arrested individual's attorney or family member when requested. Your Committee further believes that law enforcement officers should substantially comply with statutory requirements that dictate the means by which law enforcement officers enter a house to make an arrest.

Accordingly, your Committee has amended this bill by:

- (1) Deleting the provision allowing, in any case of arrest for examination, unreasonable refusal or failure to make a reasonable effort to send through a police officer or person other than the arrested person, a telephone, cable, or wireless message to the attorney of an arrested individual or member of the arrested individual's family;
- (2) Reinserting language dictating a law enforcement officer's behavior when entering a house to arrest an individual suspected of a crime;
- (3) Clarifying that the law enforcement officer or person making an arrest shall substantially comply with the requirements dictating their behavior when entering a house to arrest an individual suspected of a crime;
- (4) Inserting a purpose section asserting the reasoning behind the amendments;
- (5) Changing its effective date to July 1, 2009, to encourage further discussion; 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2299, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2299, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 665-06      Judiciary on H.B. No. 3256**

712. The purpose of this bill is to make technical and substantive changes to Penal Code chapters 704, 706, 707, 708, 709, 710, 711, and

Specifically this bill:

- (1) Provides guidelines for sentencing of first-time property offenders and expungement of such records;
- (2) Establishes laws and provisions for charging, sentencing, and restitution for burglary offenses;
- (3) Separates the crime of unauthorized entry into a dwelling (a misdemeanor) from the crime of engaging in such conduct "with the intent to commit therein a crime against a person or against property rights" (a class C felony);
- (4) Adds the crime of unauthorized entry into a motor vehicle in the second degree (a misdemeanor);
- (5) Adds bribery in the second degree;
- (6) Adds methamphetamine trafficking in the first and second degree;
- (7) Allows all certified examiners who evaluate a defendant's fitness to proceed or claims of physical or mental disease or disorder to confer without restriction upon submittal of all reports to the court;
- (8) Adds all existing mental health records to the list of records that the court must obtain and make available for inspection by examiners in cases involving examination of a defendant with respect to physical or mental disease, disorder, or defect;
- (9) Clarifies that upon finding a defendant to be affected by a physical or mental disease, disorder, or defect and therefore remains unfit to proceed, the defendant may be committed to the custody of the Director of Health to be placed in an appropriate institution but only subject to the law governing involuntary civil commitment;
- (10) Declares that in a post-acquittal hearing, a defendant's fitness shall not be an issue for a person who has been acquitted on the grounds of physical or mental disease, disorder, or defect;
- (11) Clarifies the laws relating to acquittal on the ground of physical or mental disease, disorder, or defect and related conditional release provisions by ensuring that the person's physical or mental disease, disorder, or defect be considered in commitment and release provisions;
- (12) Requires the court to amend an examiner's report upon finding that any correction, modification, or addition is needed;
- (13) Requires that when restitution is ordered, the amount ordered not be based on the defendant's financial ability to make restitution but such ability may be considered in establishing time and manner of payment;
- (14) Allows a six-month extension of probation for a petty misdemeanor if good cause is found;
- (15) Expands the explicit conditions of probation provided to a defendant to include the prohibition of a defendant from engaging in criminal conduct in any foreign or military jurisdiction that would constitute a crime under Hawaii law during the term of probation;

- (16) Provides as a condition of probation, that a defendant make restitution to the victim if so ordered by the court;
- (17) Lengthens the terms of imprisonment that may be imposed as part of a sentence of probation and includes five days' imprisonment for petty misdemeanor cases;
- (18) Adds ammunition as an item a person under probation may be prohibited from possessing;
- (19) Provides that consideration shall be given to public safety in deciding on imposing an extended sentence, and when an extended sentence is ordered it shall be for the maximum length of imprisonment;
- (20) Clarifies that a defendant who has been convicted of a felony qualifies for an extended term of imprisonment under section 706-661, Hawaii Revised Statutes (HRS);
- (21) Defines the term "genital opening" as used within the definition of "sexual penetration" in section 707-700, HRS;
- (22) Clarifies that for the killing of a person known by the defendant to be a witness in a criminal prosecution to be murder in the first degree;
- (23) Limits the charge of terroristic threatening in the first degree against a public servant to such actions arising out of the performance of the public servant's official duties;
- (24) Adds date rape to the offenses that qualify as sexual assault in the first degree;
- (25) Adds knowingly damaging the property of another without consent and in an amount exceeding \$500 to the list of actions that constitute criminal property damage in the third degree;
- (26) Raises from \$200 to \$300 the value of gasoline or related petroleum products the theft of which constitutes theft in the third degree;
- (27) Adds goats to the type of live animal or meat, the theft of which constitutes theft of livestock;
- (28) Establishes motor vehicle theft as part of the offense of robbery in the first and second degree;
- (29) Provides that each separate use of a stolen credit card that exceeds \$300 can be charged as a separate incident;
- (30) Adds strangulation to domestic violence, making it a Class C felony; and
- (31) Adds peering or peeping into windows and trespassing on property for sexual gratification to the offense of violation of privacy in the second degree.

The Department of the Attorney General, Disability and Communication Access Board, Crime Compensation Commission, Department of the Prosecuting Attorney of the City and County of Honolulu, Department of the Prosecuting Attorney of the County of Maui, Honolulu Police Department, Hawaii Disability Rights Center, and the Hawaii State Coalition Against Domestic Violence supported this bill. The Office of the Prosecuting Attorney of the County of Kauai supported this measure with amendments. A concerned individual opposed this bill. The Office of the Public Defender provided comments.

Your Committee has amended this bill by:

- (1) Inserting a sunset date of June 30, 2007, for sections 23 and 24 of this bill;
- (2) Deleting the provision which created the offense of Bribery in the Second Degree;
- (3) Eliminating the offense of "Bribery in the First degree" and reinstating the offense of "Bribery" in section 710-1040, HRS;
- (4) Changing the effective date to July 1, 2006, to encourage further discussion; and
- (5) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3256, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3256, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 666-06      Judiciary on H.B. No. 1826**

The purpose of this bill is to deter the crime of theft by providing that an individual caught with stolen mail belonging to three or more unrelated persons in the same or separate incident as part of a common scheme or plan commits Theft in the Second Degree.

The Honolulu Police Department supported this bill. The Office of the Public Defender opposed this measure.

Your Committee has amended this bill by clarifying that a person must take "three or more items" of mail belonging to three or more unrelated persons in the same or separate incident as part of a common scheme or plan.

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. 1826, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1826, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Sonson.

**SCRep. 667-06      Judiciary on H.B. No. 3254**

The purpose of this bill is to amend the law to conform to constitutional amendments made in 1992, that limited the public employees who are required to take an oath of office and by repealing provisions that require public employees who are not a part of the constitutionally-required class, to take a loyalty oath.

The Office of the Ombudsman supported this bill.

Your Committee has amended this bill by:

- (1) Reinstating the provision in which the certificate of the Chief Deputy Commissioner's appointment shall be filed in the Office of the Lieutenant Governor;
- (2) Deleting the provisions that repealed the oath of office for notaries public and the Board of Trustees of the Employees Retirement System; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3254, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3254, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Sonson.

**SCRep. 668-06      Consumer Protection & Commerce on H.B. No. 1936**

The purpose of this bill is to make the actions of the board of a planned community association (board) more transparent to the association, and to increase board accountability, by:

- (1) Requiring the board of directors to notify association members (AMs) of the appointment of a board committee or subcommittee, its purpose, and its alteration or elimination;
- (2) Requiring that board committee or subcommittee:
  - (A) Meetings be open to all AMs;
  - (B) Minutes include the vote of each committee or subcommittee member; and
  - (C) Members may not vote by proxy;
- (3) Mandating that the most current association financial statement be made available within the planned community on 24-hour loan to AMs;
- (4) Requiring the approved minutes of the board and any committee or subcommittee for the current and prior year be:
  - (A) Maintained by the association for at least five years;
  - (B) Made available within the planned community on 24-hour loan to AMs; and
  - (C) Transmitted free of charge to an AM by mail, electronic mail, or facsimile;
- (5) Providing that financial documents required for tax purposes be maintained for seven years; and
- (6) Requiring that any financial statements, insurance policies, and related materials kept by the association be made available to AMs.

Several concerned individuals supported this bill. Mililani Town Association and several concerned individuals opposed this bill.

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

- (1) Removing the requirement that board committee or subcommittee members may not vote by proxy, their votes be recorded in the minutes, and that their meetings be open to all AMs;
- (2) Providing that notice of the formation, purpose, alteration, or elimination of a committee or subcommittee be provided to AMs through the board meeting minutes;
- (3) Providing that association documents and the most recent board meeting minutes must be made available within the planned community to AMs;
- (4) Providing that administrative costs of a request for a copy of board meeting minutes are to be borne by the requestor, and not the association;
- (5) Prohibiting directors from voting on any issue in which the director has a "conflict of interest," defined to mean a direct personal or pecuniary interest not common to other AMs;

- (6) Requiring associations to provide notice within 10 days of an AM's request for information, that administrative costs will be assessed and the amount, except for requests for information on delinquent assessments or on the association's enforcement of the law or governing documents;
- (7) Allowing association members to withdraw requests for information within 10 days of notification of the cost;
- (8) Allowing members to view proxies, ballots, and other voting materials for 30 days following any association meeting and to obtain copies of certain voting materials if they bear administrative costs;
- (9) Allowing members to request board approval to examine association documents not specifically covered by the law and protecting private and privileged information from disclosure;
- (10) Requiring an annual audit of association accounts, an annual unannounced verification of the association's cash balance by a public accountant, and allowing associations of less than 20 units to waive these requirements by a majority vote of unit owners;
- (11) Requiring the annual audit to be provided to AMs within 30 days prior to the annual meeting and providing an exemption for owners who do not indicate on the proxy form that they want a copy;
- (12) Authorizing the Director of Commerce and Consumer Affairs to:
  - (A) Study planned community issues and recommend legislation to protect association member rights; and
  - (B) Hear and maintain a record of complaints of association members;
 and
- (13) Requiring the Director of Commerce and Consumer Affairs to adopt rules to implement the Director's responsibilities;

Your Committee finds that planned community association members are reporting problems with their associations, however, the law contains few protections or remedies. As amended, this bill responds to these problems by combining protections for planned community association members found in several bills heard by your Committee.

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. 1936, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1936, H.D. 1, and be placed on the calendar for Third Reading.

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

#### SCRep. 669-06 Consumer Protection & Commerce on H.B. No. 1980

The purpose of this bill is to avoid unnecessary regulation and increase consumer choice and convenience by making clear that multi-use gift cards, i.e., cards with a banked dollar value usable with multiple sellers of goods or services, are not gift certificates subject to regulation under Hawaii's gift certificate law.

The Hawaii Bankers Association, Hawaii Credit Union League, First Data Corporation, and a concerned individual supported this bill. The Department of Commerce and Consumer Affairs, Retail Merchants of Hawaii, and Hawaii Food Industry Association opposed this bill.

Your Committee finds that multi-use gift cards differ from gift certificates in that they carry banked dollars to use in place of cash. One type is a travel card that is used like traveler's checks. Multi-use gift cards are reportedly more expensive to operate than gift certificates. The cards may be sold and marketed nationally, in which case issuers incur significant design, marketing, and advertising costs. In addition, issuers usually replace these cards if they are lost or stolen and provide 24-hour customer service.

Your Committee heard testimony that the current law would prohibit issuers of gift cards from charging a service fee for these cards, making it impossible for issuers to make a profit in Hawaii. There was also testimony that because of the law, American Express already declines to sell its gift cards in the state.

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

- (1) Removing the exemption of multi-use gift cards from the gift certificate law;
- (2) Providing that issuers of multi-use gift cards may charge:
  - (A) A transaction fee for initial issuance and each addition of value to the card;
  - (B) A replacement fee; and
  - (C) A service, dormancy, or inactivity fee no earlier than 12 months after the initial issuance or most recent addition of value;
- (3) Requiring multi-use gift card issuers to disclose:
  - (A) At the time of sale, on the certificate or on the electronic card sales receipt, fees for initial issuance;
  - (B) At the time of sale, the timing and amount of all dormancy or inactivity fees prominently on the face of the electronic card or certificate; and

- (C) On the electronic card or certificate, the timing and amount of all replacement fees, services fees, and dormancy or inactivity fees;

and

- (4) Changing the effective date to July 1, 2050, to allow further discussion of the 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. 1980, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1980, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 670-06 Consumer Protection & Commerce on H.B. No. 3100**

The purpose of this bill is to provide mortgagors an opportunity to retain ownership of their property in the event of a power of sale mortgage foreclosure and improve the foreclosure process by:

- (1) Providing mortgagors with a right of redemption within 90 days of the foreclosure; and
- (2) Limiting the downpayment required of the successful bidder at the public sale of the foreclosed property to not more than 25 percent of the highest successful bid price.

The Hawaii Bankers Association supported the bill in part and opposed the bill in part. The Hawaii Association of Realtors supported the intent of part of the bill. The Mortgage Bankers Hawaii Financial Services Association and Association of Hawaii offered comments.

Upon consideration, your Committee has amended this bill by:

- (1) Removing the right of redemption;
- (2) Limiting the successful public sale bidder's mandatory downpayment to 10 percent of the highest successful bid price;
- (3) Providing that if the sale does not close, the downpayment is to cover the foreclosing mortgagee's auction expenses and any escrow fees and costs, with the balance to be returned to the successful bidder; and
- (4) Making technical, nonsubstantive amendments for clarity and consistency.

Your Committee believes that these amendments will benefit the mortgagor by increasing competition during the foreclosure auction. Limiting the required downpayment to 10 percent of the successful bid will increase the number of people able to bid on the property at the foreclosure sale. This will allow the property to be sold for a higher price and reduce the chances that there will be a deficiency judgment against the mortgagor.

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. 3100, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3100, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 671-06 Consumer Protection & Commerce on H.B. No. 3225**

The purpose of this bill is to fine-tune the recodified condominium law enacted in Act 164, Session Laws of Hawaii (SLH) 2004, and Act 93, SLH 2005, which is set to become effective on July 1, 2006.

Community Associations Institute, Hawaii Chapter, and several concerned individuals supported this bill. The Hawaii Council of Associations of Apartment Owners supported the intent of this measure. Hawaii Independent Condominium & Cooperative Owners and several concerned individuals opposed this bill. The Real Estate Commission and several concerned individuals commented.

In addition to technical, nonsubstantive amendments, this bill also changes the recodified law substantively. These amendments include:

- (1) Providing that under the chapter, punitive damages alone are to be awarded only as specifically provided in the chapter, and removing references to consequential and special damages;
- (2) Adding to the list of sections of the recodified law that apply to condominiums existing before the effective date of the law, two sections that delineate unit boundaries in detail, and allocate the common profits and expenses of the condominium property;
- (3) Providing that amendment of the declaration is not required for changes to the use of common element, open or landscaped spaces, and minor additions or alterations that benefit a unit and do not substantially affect other owners;
- (4) Removing the requirement that 67 percent of all owners must adopt any resolution authorizing fines that are not in the bylaws;
- (5) Removing the requirement that owners must provide notice of intent to cumulatively vote before doing so;
- (6) Providing that the financing of insurance premiums by the association within the policy period is not a loan and may occur without a vote of the unit owners;

- (7) Adopting the standard of the nonprofit corporation law in Chapter 414D, Hawaii Revised Statutes (HRS), by requiring a minimum of three directors;
- (8) Providing that the association may by resolution restate the declaration to correct the percentage of common interest so it totals 100 percent;
- (9) Providing that in the absence of protest, any owner of a unit owned by more than one person may cast the votes allocated to the unit by proxy;
- (10) Specifying that the distribution of information as requested by the Real Estate Commission (Commission) is at the cost of the association;
- (11) Allowing the board with the majority vote or consent of the unit owners to require unit owners to obtain reasonable types and levels of insurance;
- (12) Allowing the association to demand and collect unpaid common expenses from the rental agent renting a unit;
- (13) Clarifying who constitutes a "lessee" for purposes of assessing the costs of lease rent renegotiation; and
- (14) Providing that the provisions of the Hawaii Administrative Rules controlling association replacement reserves will remain in effect until the Commission adopts replacement rules under the recodified law.

Your Committee finds that those testifying at the hearing requested amendments to the recodified condominium law that revisit issues your Committee believed were resolved by enactment of the law in 2004 and 2005. The interested parties have made an effort to resolve those issues once again and have offered additional amendments that have been incorporated in the bill and include:

- (1) Reinstating the provision that the provisions of the new law applicable to existing condominiums do not invalidate an existing condominium's declaration, bylaws, condominium map, or other condominium documents;
- (2) Clarifying that a developer's consent to termination of a condominium is only required where the developer retains an interest in the condominium;
- (3) Clarifying that where funds are to be released from escrow to pay project costs, the developer may submit required information after issuance of the public report effective date if the developer secures an effective date for an amendment to the report;
- (4) Allowing a developer to stop filing annual reports after initial sales of all units have been completed;
- (5) Removing an amendment requiring the purchaser be given two copies of the prospective purchaser's 30-day cancellation right;
- (6) Clarifying that public reports delivered to prospective purchasers must contain all amendments approved by the Commission as of the date the public report is delivered;
- (7) Providing that if a board establishes fines by resolution, it must allow an appeal to the board and give owners the right to initiate a dispute resolution process or administrative hearing;
- (8) Changing from 75 to 70 percent, the proportion of unit owners that must reside outside of a project with more than 100 units to allow a majority to amend the bylaws to reduce the board from a minimum of nine members, to as few as five members;
- (9) Prohibiting an owner who is an employee of the association managing agent from participating in discussions of a management contract, and executive sessions where the management contract or property manager will be discussed;
- (10) Making the effectiveness of Chapter 514B, HRS, certain by removing language providing for contingent enactment of a portion of the chapter;
- (11) Removing the repeal of Chapter 514A, HRS, and specifically defining the scope of its applicability upon enactment of the recodified law; and
- (12) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee recognizes that all interested parties have not agreed to these amendments and that more discussion is needed on this bill. Accordingly, the bill has also been amended by changing its effective date to July 1, 2050. 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. 3225, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3225, H.D. 1, and be placed on the calendar for Third Reading.

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

The purpose of this bill is to protect consumers by allowing a victim of identity theft to place a "security freeze" on the individual's credit reports, thereby prohibiting a consumer credit reporting agency from releasing information about the individual without the individual's express consent.

The Department of Commerce and Consumer Affairs, Honolulu Police Department, and Department of the Prosecuting Attorney of the City and County of Honolulu testified in support of this bill. The Hawaii Bankers Association and Retail Merchants of Hawaii supported the intent of this measure. Consumer Data Industry Association and State Farm Insurance Companies offered comments.

Your Committees have amended this bill by:

- (1) Amending the definition of "credit report" by:
  - (a) Extending the definition to include any information, and not just credit information, that bears on a consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living that is used or expected to be used or collected in whole or in part to serve as a factor in establishing the consumer's eligibility for credit; and
  - (b) Removing the reference to the federal Fair Credit Reporting Act in the definition of "credit report";
- (2) Extending the definition of "credit reporting agency" to include:
  - (a) The use of any means or facility of interstate commerce to prepare or furnish consumer reports; and
  - (b) Governmental agencies that maintain records primarily for law enforcement or licensing purposes;
- (3) Renaming "credit report" and "credit reporting agency" to "consumer report" and "consumer reporting agency", respectively, and replacing all instances of these terms as appropriate;
- (4) Redefining "identity theft" by making reference to section 708-839.6, 708-839.7, or 708-839.8, Hawaii Revised Statutes (HRS);
- (5) Specifying that a "security freeze" prohibits a consumer reporting agency from releasing the consumer report or score relating to an extension of credit;
- (6) Permitting the consumer to allow access to the consumer report for a specific period of time while the security freeze is in place, rather than permitting the consumer to allow specific parties to access it;
- (7) Allowing persons or entities, despite a security freeze, to access a consumer report for use in setting or adjusting a rate, adjusting a claim, or underwriting for insurance purposes;
- (8) Revising the penalties for violation of the law relating to security freezes, as follows:
  - (a) Deleting the reference to section 480-2, HRS; and
  - (b) Requiring the person in violation to be liable for damages to the consumer, in varying amounts and depending on willful or negligent non-compliance;
- (9) Changing the effective date to January 1, 2006, to encourage further discussion; and
- (10) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Judiciary and Consumer Protection & Commerce that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1871, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1871, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Caldwell, Ito, Kanoho, Karamatsu and Morita.

**SCRep. 673-06      Judiciary on H.B. No. 2705**

The purpose of this bill is to preserve the beauty of our islands by establishing conditions under which signs expressing a viewpoint on any issue or candidate may be displayed on residential property.

Scenic Hawaii, Inc., and Na Leo Pohai supported this bill. The Department of the Attorney General provided comments.

Your Committee finds that standards are necessary for the placement and use of certain signs on residential properties and that this bill is an important step forward. However, further discussion is necessary regarding:

- (1) Whether to expand this measure's provisions to apply beyond residential property signs; and
- (2) How the new provisions would actually be enforced.

Your Committee has amended this bill by:

- (1) Clarifying that the provisions of this bill apply to signs expressing a viewpoint on any issue or on any candidate for election displayed on residential property;

- (2) Prohibiting any sign expressing a viewpoint on any candidate for election or any ballot issue from being erected on residential property earlier than 45 days prior to the day of the relevant election and more than 10 days after the day of the election;
- (3) Removing setback requirements for signs posted on residential property;
- (4) Changing the effective date to July 1, 2006, to encourage further discussion; and
- (5) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2705, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2705, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 674-06      Judiciary on H.B. No. 2897**

The purpose of this bill is to delay implementation of proposed changes to the appellate system of the courts and the recommendations made by the Appellate Review Task Force established pursuant to Act 202, Session Laws of Hawaii 2004 (SLH 2004), regarding these proposed changes.

The Department of the Attorney General, Office of the Public Defender, and numerous concerned individuals testified in support of this bill. The Judiciary opposed this measure.

Concerns were raised regarding the current appellate system in which all appeals are filed with the Hawaii Supreme Court (Supreme Court), with some appeals then being assigned to the Intermediate Court of Appeals. Your Committee finds that the current appellate system of concentrating all procedural administrative work, such as motions for extensions of time, withdrawal and substitution of counsel, and reviewing statements of jurisdiction and defaults may pose a burden on the Supreme Court.

However, your Committee finds that some questions still remain unanswered regarding whether the changes proposed to the appellate court system by Act 202, SLH 2004, are right for Hawaii. Your Committee believes that further careful review of these concerns is warranted.

Accordingly, your Committee has amended this measure by:

- (1) Changing the effective date of Act 202, SLH 2004, to July 1, 2006, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2897, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2897, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 675-06      Judiciary on H.B. No. 3101**

The purpose of this bill is to ensure that candidates for office engage in fair and consistent practices by requiring businesses, individuals, and organizations to disclose, on the return address of campaign-related material, that the material contained in the mailing is campaign-related.

Several concerned individuals testified in support of this bill. The Representative of the 42<sup>nd</sup> representative district supported this measure with an amendment. The Campaign Spending Commission offered comments.

Your Committee has amended this bill by deleting its contents and inserting provisions that, among other things:

- (1) Establish reporting conditions and penalties for failure to file or correct reports;
- (2) Amend the definition of "contribution" to include loans and provision of or payment for legal and accounting services;
- (3) Exempt accounting services provided by the campaign treasurer and deputy campaign treasurer from the definitions of "contributions" and "expenditures";
- (4) Establish an aggregate campaign contribution limit of \$25,000 by any one person to any number of candidates;
- (5) Remove the exemption of immediate family members from campaign contribution limits;
- (6) Establish conditions that treat two corporations as one corporation for the purposes of campaign contribution limits;
- (7) Delete the prohibition of knowing solicitations of contributions by state contractors;
- (8) Require that all campaign advertisements and mailings clearly state on the advertisement or envelope that the advertisement is or the envelope contains campaign material;
- (9) Add the office of the prosecuting attorney to the statutory provisions regarding candidates who voluntarily agree to limit their campaign expenditures;



- (10) Repeal the requirement for candidates to designate a central committee responsible for aggregating total contributions and expenditures; and
- (11) Change the effective date to January 1, 2006, to encourage further discussion.

Your Committee has also made 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. 3101, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3101, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 676-06      Judiciary on H.B. No. 1242**

The purpose of this bill is to improve the health and safety of women by clarifying or eliminating outdated language in the statute dealing with abortion while not expanding rights that are currently protected under state and federal law.

The Hawaii State Commission on the Status of Women, American Civil Liberties Union of Hawaii, Planned Parenthood of Hawaii, Domestic Violence Clearinghouse and Legal Hotline, Hawaii Women's Coalition, National Association of Social Workers, Hawaii Chapter, Community Alliance on Prisons, League of Women Voters of Hawaii, and numerous concerned individuals supported this bill. The Lieutenant Governor, Hawaii Family Forum, Hawaii Catholic Conference, Hawaii Christian Coalition, Pro-family Hawaii, Christian Voice of Hawaii, Aloha Pregnancy Care and Counseling Centers, Hawaii Right to Life, Maui Chapter, Hawaii Coalition of Christian Churches, Moanalua Gardens Missionary Church, New Hope Christian Fellowship, and numerous concerned individuals opposed this measure.

At the outset of the hearing on this bill, all present were reassured that this bill is not intended to expand rights that are currently protected under state and federal law, but were alerted to a drafting problem in this measure that related to when an abortion could be performed. Those present were informed that to address the drafting problem, any draft of this bill your Committee might pass out would leave the existing definition of abortion in section 453-16(b), Hawaii Revised Statutes (HRS), intact.

In decision-making, your Committee seriously discussed clarifying outdated language by replacing the term "operation" with "medical treatment" in the definition of abortion in section 453-16(b), HRS. Although this language is not related to any issue as to when an abortion may be performed, due to the assurances provided earlier in the hearing, your Committee intentionally decided against including any changes to the definition of abortion in section 453-16(b), HRS. Your Committee notes, however, that further consideration will be warranted if the Senate amends the term "operation" as this bill moves forward.

Your Committee also notes that the preamble for this bill refers to the importance of Article I, Section 6 of the Hawaii State Constitution, which provides:

*The right of the people to privacy is recognized and shall not be infringed without the showing of a compelling state interest. The legislature shall take affirmative steps to implement this right.*

Some testifiers maintained that a fundamental right to privacy exists only in the penumbra of other constitutional rights. Your Committee strongly disagrees. Unlike the United States Constitution, the Hawaii State Constitution explicitly recognizes the right to privacy, and mandates the Legislature to take affirmative steps to implement this precious right.

Your Committee has amended this bill by:

- (1) Restoring the existing definition of abortion in section 453-16(b), HRS;
- (2) Prohibiting the State from denying or interfering with a female's right to choose or obtain an abortion of a nonviable fetus or an abortion that is necessary to protect the life or health of the female; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1242, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1242, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Sonson.

**SCRep. 677-06      Consumer Protection & Commerce/Judiciary on H.B. No. 2434**

The purpose of this bill is to protect purchasers of annuity contracts by requiring insurers to:

- (1) Provide an annuity contract applicant with a buyer's guide and disclosure document at the time of application;
- (2) Give purchasers a 15-day period to return the annuity contract without penalty, if a buyer's guide and disclosure document are not provided at or before the time of application; and
- (3) Provide purchasers with an annual report of the status of the annuity contract during the payout period of annuities with changes in non-guaranteed elements, and during the accumulation period of a deferred annuity.

The Department of Commerce and Consumer Affairs, American Council of Life Insurers, State Farm Insurance Companies, and Association of Insurance and Financial Advisors supported this bill.

Annuities are financial retirement vehicles combining lifetime income payments and tax deferred savings. The product is more complex and confusing than most insurance products and is frequently sold to the elderly. A consumer must consider whether the terms of the contract are suitable given the consumer's age, life expectancy, retirement lifestyle, and other factors. Your Committees find that this bill will give consumers the information necessary to determine whether a product will meet their needs.

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. 2434 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

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

**SCRep. 678-06 Consumer Protection & Commerce/Judiciary on H.B. No. 2901**

The purpose of this bill is to remove outdated and redundant requirements from the garnishment law by repealing the requirements that:

- (1) A creditor collecting money under a garnishment must furnish the garnishee with duplicate receipts; and
- (2) The garnishee must provide the debtor with a copy of the receipt.

Two concerned citizens supported this bill.

Your Committees find that employers are mandated by law to furnish the employee a pay stub or similar record detailing the amount and purpose of each deduction from wages. Similarly, when a bank account is garnished, the withdrawal of funds is reflected in the debtor's monthly statement. These changes have made the receipt requirement in the garnishment law redundant and obsolete.

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. 2901 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

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

**SCRep. 679-06 Consumer Protection & Commerce/Judiciary on H.B. No. 2535**

The purpose of this bill is to deter Internet fraud by making the intentional use of a computer to obtain control over and to steal a victim's property punishable as:

- (1) Either Theft in the First Degree or Theft in the Second Degree, whichever applies; and
- (2) Use of a Computer in the Commission of a Separate Crime (UCCSC).

The Department of the Prosecuting Attorney of the City and County of Honolulu and Honolulu Police Department supported this bill. The Office of the Public Defender commented on this bill.

Your Committees find that Hawaii has a growing problem with the use of computers to commit theft. In 2005 the Federal Trade Commission reported that Hawaii ranked fifth in the nation in Internet fraud complaints per capita.

UCCSC carries a penalty one class or grade above the offense facilitated by the use of a computer. Thus, in any theft where the property taken exceeds \$300 would be punishable as a class B felony under UCCSC. The use of a computer to steal property valued in excess of \$20,000, would be punishable as a class A felony under UCCSC.

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. 2535 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Karamatsu, Morita and Thielen.

**SCRep. 680-06 Consumer Protection & Commerce/Labor & Public Employment on H.B. No. 2317**

The purpose of this bill is to continue to provide small businesses with a method of obtaining more favorable health insurance rates by making permanent the law allowing health insurers to treat a bona fide trade association and its members as a single group for the purpose of issuing a health insurance policy.

The Department of Commerce and Consumer Affairs and Hawaii Association of Realtors supported this bill.

Your Committees find that at least 27 trade associations are receiving some form of health insurance premium discount under the bona fide trade associations health insurance law enacted in 2004, and that this law provides small businesses with an important alternative means of purchasing more affordable health insurance.

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. 2317 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Kanofo, Karamatsu, Morita, M. Oshiro, Marumoto and Stonebraker.

**SCRep. 681-06      Judiciary on H.B. No. 1947**

The purpose of this bill is to encourage the decision to select or apply flexible highway design guidelines (flexible guidelines) to highway construction, reconstruction, preservation, resurfacing, restoration, or rehabilitation projects by providing that the decision makers cannot be sued, including the State, Department of Transportation (DOT), counties, and any officers, employees, or agents.

DOT, the Consumer Lawyers of Hawaii, Hanalei Road Committee, and a concerned individual testified in support of this bill.

Flexible guidelines could provide for an enriched driving experience by taking into consideration, among other factors, the environmental, scenic, and historic impacts. This bill substitutes the immunity-from-liability language in Act 186, Session Laws of Hawaii 2005 (Act 186), with language that provides that the decision to select or apply flexible guidelines shall not give rise to a cause of action against the decision-makers.

All of the stakeholders involved in the finalization of Act 186 agreed to the language that is contained in this current bill. However, the Act 186 final version contained different language. This bill corrects and clarifies Act 186 by inserting the language that was originally agreed upon by all of the parties involved in 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. 1947 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 Sonson.

**SCRep. 682-06      Judiciary on H.B. No. 2898**

The purpose of this bill is to give district courts jurisdiction over civil actions subject to arbitration where the amount in dispute is less than \$10,000.

The Collection Law Section of the Hawaii State Bar Association 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. 2898 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. 683-06      Judiciary on H.B. No. 3253**

The purpose of this bill is to amend the Hawaii Rules of Evidence by establishing that a party is not required to renew an objection or offer of proof to preserve a claim of error for appeal once the court makes a definitive ruling on the record admitting or excluding evidence.

The Judiciary and Office of the Public Defender 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. 3253 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. 684-06      Tourism & Culture on H.B. No. 2145**

The purpose of this bill is to diversify Hawaii's visitor industry by:

- (1) Allowing agricultural tourism to be conducted on an existing farm, provided that the agricultural tourism activity is accessory and secondary to the principal agricultural use and does not interfere with surrounding farming operations; and
- (2) Requiring counties to further regulate agricultural tourism through county ordinances.

The Department of Agriculture, Hawaii Tourism Authority, College of Tropical Agriculture and Human Resources at the University of Hawaii, Hawaii Agriculture Research Center, Kamehameha Schools, Windward Ahupua'a Alliance, and C&H Farms supported this bill. The Hawaii Farm Bureau Federation supported the intent of this bill. The Land Use Research Foundation of Hawaii, Quality Turfgrass, and Sierra Club, Hawaii Chapter, submitted comments. The Waimanalo Agricultural Association and a concerned individual 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. 2145, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Karamatsu, Wakai and Marumoto.

**SCRep. 685-06      Judiciary 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 with knowledge regarding the reproductive rights of incapacitated disabled adults.

The Judiciary, Disability and Communication Access Board, State Council on Developmental Disabilities, and Planned Parenthood 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. 2058 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Sonson.

**SCRep. 686-06      Judiciary on H.B. No. 2737**

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

- (1) Requiring the Department of the Attorney General to assist in resolving the jurisdictional dispute over the Honopou Road and Honopou Bridge on the island of Maui; and
- (2) Requiring the Department of Transportation (DOT) to review the issues relating to the safety of Honopou Bridge and submit a report of its findings and recommendations, including a determination of the costs of bringing Honopou Bridge up to standards that will allow the Maui County Fire Department to provide services to Honopou District residents.

The Mayor of the County of Maui and a member of the Maui County Council testified in support of this bill. DOT supported the intent 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. 2737, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Sonson.

**SCRep. 687-06      Consumer Protection & Commerce on H.B. No. 3238**

The purpose of this bill is to facilitate sales outside of the United States (U.S.), of time share accommodations located in Hawaii, by removing time share plans that contain these accommodations and that are only offered for sale outside the U.S., from the requirements of Hawaii's time share law.

RCI, ARDA-Hawaii, and Marriott supported this bill. The Department of Commerce and Consumer Affairs commented on this bill.

Your Committee finds that this bill raises the issue of whether there is a need to regulate time share plans sold only outside of the U.S., but which contain accommodations located within Hawaii, and believes this issue should be examined as this bill 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. 3238, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Karamatsu and Morita.

**SCRep. 688-06      Finance 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 and Legislative Information Services of Hawaii testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1468 and recommends that it pass Third Reading.

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

**SCRep. 689-06      Finance on H.B. No. 1869**

The purpose of this bill is to increase prescription drug safety, as well as the availability of accurate prescription drug information by:

- (1) Requiring that prescription drug advertisements meet federal standards;
- (2) Mandating that a manufacturer or labeler of prescription drugs post prescription drug clinical trial results on a publicly accessible Internet website;
- (3) Requiring prescription drug manufacturers to pay fees to the Department of Health (DOH);
- (4) Establishing a Prescription Drug Advertising Special Fund;
- (5) Using fees to fund public education initiatives to inform consumers about clinical trials and to provide drug safety information;
- (6) Establishing penalties for noncompliance; and
- (7) Requiring DOH to submit a report to the Legislature regarding the completeness and ease of public access to information provided by prescription drug manufacturers and the need for any further legislation.

ILWU Local 142 and the Consumers Union testified in support of this bill. DOH and the Pharmaceutical Research and Manufacturers of America opposed this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1869, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 690-06 Finance on H.B. No. 1923**

The purpose of this bill is to maintain the operational efficiency of the Hawaii Tourism Authority (HTA) by extending HTA's authority to retain attorneys independent of the Attorney General until June 30, 2010, and also making permanent:

- (1) The exemption of HTA's accounts from supervision by the Comptroller;
- (2) The requirement that HTA preaudit all of its proposed payments to determine the propriety of expenditures and compliance with applicable laws;
- (3) The requirement that HTA maintain records and documents necessary to support its disbursements of funds for operating expenses;
- (4) 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;
- (5) HTA's authority to appoint a sports coordinator;
- (6) 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
- (7) The increase, to 5 percent from 3.5 percent, in TSF funds that may be used for administrative expenses.

The Department to the Attorney General opposed this bill in part.

As affirmed by the record of votes of 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. 1923, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 691-06 Finance 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 legislative appropriation;
- (2) Annual reports by the Department of Human Services (DHS) that include a plan on how the TANF funds will be expended and descriptions of desired outcomes, as well as reports on the effectiveness and level of success in achieving these outcomes; and
- (3) The House of Representatives and the Senate to refer these matters to all relevant standing committees.

Blueprint for Change and a concerned individual testified in support of this bill. The National Association of Social Workers and a concerned individual also supported this measure with amendments. DHS supported the intent of this bill. The Department of Budget and Finance opposed this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2258, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 692-06 Finance on H.B. No. 2950**

The purpose of this bill is to clarify that a Voluntary Employees' Beneficiary Association (VEBA) Trust may be established by an employee organization to provide benefits for state and county employees that the employee organization represents by amending the purpose of the VEBA Trust pilot program under Act 245, Session Laws of Hawaii 2005.

The Hawaii State Teachers Association and Hawaii Government Employees Association 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. 2950 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll, Nishimoto, Wakai, Yamane, Meyer, Moses, Pine and Stevens.

**SCRep. 693-06 Finance 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 work projects not directly built or developed by a governmental contracting agency.

The International Brotherhood of Electrical Workers, Local 1186, Hawaii State AFL-CIO, and Hawaii Building and Construction Trades Council, AFL-CIO, testified in support of this bill. The DLIR, Department of Accounting and General Services, and Associated Builders and Contractors opposed this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2952, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll, Nishimoto, Wakai, Yamane, Meyer, Moses, Pine and Stevens.

**SCRep. 694-06 Finance on H.B. No. 3123**

The purpose of this bill is to prepare the State to respond effectively in the event of a hurricane by funding a study to assess the structural integrity of each hospital and nursing home in Hawaii. Information from the study would be provided to facility owners and operators as well as civil defense officials to assist in future decision-making and planning.

The Department of Defense and Healthcare Association of Hawaii testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3123, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll, Magaoay, Nishimoto, Takamine, Tsuji, Meyer and Pine.

**SCRep. 695-06 Finance on H.B. No. 3235**

The purpose of this bill is to ensure and support the continuation of the culturally beneficial Honolulu Symphony program by appropriating funds for the State of Hawaii Endowment Fund, to be matched dollar-for-dollar with private funds.

The Honolulu Symphony, Oahu County Committee of the Democratic Party of Hawaii, Musicians' Association of Hawaii, and several concerned individuals supported this bill. The State Foundation on Culture and the Arts supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3235, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 696-06 Finance on H.B. No. 1819**

The purpose of this bill is to correct inconsistencies and errors in the law relating to liquor consumption and liquor licenses.

No testimony was provided for this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1819, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 697-06 Finance 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 (B&F), Department of the Attorney General (AG), and Department of Human Services (DHS) to the Department of Education (DOE); and
- (2) Delaying the transfer of school health aides and public health nurses from the Department of Health (DOH) to DOE.

DOE, B&F, AG, DHS, DOH, and Department of Human Resources Development testified in support of this bill. The Hawaii Government Employees Association supported this measure with reservations.

As affirmed by the record of votes of 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. 1863 and recommends that it pass Third Reading.

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

**SCRep. 698-06 Finance 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, Hawaii State Teachers Association, and EUTF 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. 2309 and recommends that it pass Third Reading.

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

**SCRep. 699-06 Finance on H.B. No. 2347**

The purpose of this bill is to provide an emergency appropriation to the Department of Education (DOE) to avoid a break in services due to a projected shortfall in DOE's budgeting for contract services for student bus transportation.

DOE and the Special Education Advisory Council 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. 2347 and recommends that it pass Third Reading.

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

**SCRep. 700-06 Finance 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), subject to availability of funds and in consultation with the Hawaii Community Development Authority (HCDA), to enter into development agreements with private developers to expedite construction of a parking structure at Kakaako Makai, Oahu.

HCDA 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 Finance 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 Third Reading.

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

**SCRep. 701-06 Finance on H.B. No. 2805**

The purpose of this bill is to provide additional time for the 2050 Sustainability Task Force to perform necessary research and community research in developing its plan to guide Hawaii's future. This bill extends:

- (1) The deadline for the Auditor to submit the Hawaii 2050 Sustainability Plan by an additional year to December 2007; and
- (2) The authority of the Hawaii 2050 Task Force to June 30, 2008.

The Auditor and the Department of Business, Economic Development, and Tourism 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. 2805 and recommends that it pass Third Reading.

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

**SCRep. 702-06 Finance on H.B. No. 2953**

The purpose of this bill is to ensure that parties involved in public works contracts comply with Hawaii's wage and hour law by making it the responsibility of each chief procurement officer to inform governmental contracting agencies that the requirements of Hawaii's wage and hour law apply to every contract for construction of a public work in excess of \$2,000, including emergency contracts and contracts funded by special purpose revenue bonds, purchase orders, or vouchers.

The State Procurement Office and Associated Building and Contractors, Inc., Hawaii Chapter, opposed this bill. The Department of Labor and Industrial Relations and Department of Accounting and General Services provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2953, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll, Nishimoto, Wakai, Yamane, Meyer, Moses, Pine and Stevens.

**SCRep. 703-06 Finance on H.B. No. 3063**

The purpose of this bill is to assist in the development of a highly skilled and trained technological workforce by appropriating funds to the Economic Development Alliance of Hawaii, Inc., (EDAH) which focuses on supporting partnership workforce development in science and technological careers.

The Workforce Development Council, Office of Economic Development of the County of Kauai, EDAH, Hawaii Agriculture Research Center, Hawaii Crop Improvement Association, Hawaii Island Economic Development Board, General Dynamics Advanced Information Systems, Kauai Economic Development Board, Inc., Trex Advanced Materials, Enterprise Honolulu, Maui Economic Development Board, Inc., and numerous concerned individuals testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3063, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 704-06 Finance on H.B. No. 3160**

The purpose of this bill is to appropriate funds to the University of Hawaii (UH) at Manoa to:

- (1) Address the statewide shortage of nurses;
- (2) Provide for utility cost overruns;
- (3) Increase faculty and staff for the Colleges of Arts and Sciences;
- (4) Increase security personnel;
- (5) Restore teaching positions in the College of Natural Sciences;
- (6) Extend the operating hours of Hamilton Library;
- (7) Implement student-run television; and
- (8) Increase support for programs serving native Hawaiians.

UH, College of Arts and Sciences at UH Manoa, School of Nursing and Dental Hygiene at UH Manoa, Hawaii Government Employees Association, 'Ike Ao Pono, Healthcare Association of Hawaii, Kualii Council, The Queen's Medical Center, and numerous concerned individuals testified in support of this bill. Several concerned individuals offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3160, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 705-06 Finance on H.B. No. 3166**

The purpose of this bill is to appropriate funds to support the operations of University of Hawaii's community colleges--Honolulu Community College, Kapiolani Community College, Leeward Community College, Windward Community College, Hawaii Community College, Kauai Community College, and Maui Community College--in their mission to address the various educational and training needs of students, businesses, and the community.

The University of Hawaii, Maui County Office on Aging, Policy Advisory Board for Elder Affairs, and a concerned individual testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3166, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 706-06 Finance on H.B. No. 3173**

The purpose of this bill is to increase employment and other educational opportunities for students and alumni of the University of Hawaii at Hilo (UHH) by appropriating funds for workforce development, athletic programs, and operating and infrastructure costs.

UHH testified in support of the intent of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3173, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 707-06 Finance on H.B. No. 3244**

The purpose of this bill is to strengthen the State's efforts to prevent electronic commerce-based crimes such as identity theft and credit-card fraud by implementing the recommendations of the Hawaii Anti-Phishing Task Force. This bill changes the name of the Task Force, expands its responsibilities, adds new members, and extends its existence to June 30, 2007.

The Department of the Attorney General, Department of Commerce and Consumer Affairs, Hawaii Financial Services Association, Hawaii Bankers Association, and Consumer Data Industry Association testified in support of this bill. The Judiciary supported this measure with amendments. The Legislative Reference Bureau (LRB) offered comments.



While identity theft is an ever-growing problem, your Committee shares LRB's concerns that without additional resources, the workload required to implement this bill will be a heavy one to bear. However, acknowledging that identity theft must be comprehensively addressed, your Committee wishes to move this bill in the hopes of continuing the discussion on a potential solution.

As affirmed by the record of votes of 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. 3244, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 708-06 Finance on H.B. No. 3259**

The purpose of this bill is to provide for the dental health of QUEST-eligible adults and children, the aged, the blind, and the disabled population by appropriating funds for community-based dental health clinics that are operated by community health centers or other community-based organizations.

The State Council on Developmental Disabilities, Hawaii Primary Care Association, Kokua Council, The Arc of Kona, and many concerned individuals testified in support of this bill. The Department of Health and Hawaii Disability Rights Center supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3259, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll, Magaoay, Nishimoto, Takamine, Tsuji, Meyer and Pine.

**SCRep. 709-06 Finance 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) Establishing a minimum level of care payment for type I adult residential care homes, licensed developmental disabilities domiciliary homes, developmental disabilities apartment complexes, and certified adult foster homes.

The Hawaii Coalition of Care Home Administrators, Hawaii Disability Rights Center, Alliance of Residential Care Administrators, Arc of Kona, The Primary Care Providers of Hawaii, United Group of Home Operators, Alliance of Residential Care, Adult Foster Home Association of Hawaii Maui Chapter, Adult Foster Home Association of Hawaii, and numerous concerned individuals testified in support of this bill. The Department of Health, State Council on Developmental Disabilities, Disability and Communication Access Board, and The Arc in Hawaii supported the intent of this measure. The Department of Human Services and a concerned individual offered comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1821, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1821, H.D. 2.

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

**SCRep. 710-06 Finance 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 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, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1888, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1888, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Takamine, Tsuji, Meyer and Stevens.

**SCRep. 711-06 Finance 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 Primary Care Association, and Hawaii Medical Service Association testified in support of this bill. The Department of Health supported the intent of this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1975, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1975, H.D. 2.

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

**SCRep. 712-06 Finance on H.B. No. 2126**

The purpose of this bill is to improve emergency services to the Leeward area of Oahu by appropriating funds for a 16-hour-a-day, 7-days-a-week advanced life support ambulance unit for the Lower Mililani, Waipio Gentry, Waikele, Crestview, East Waipahu, Waiawa, and Pearl City industrial areas.

The Emergency Services Department of the City and County of Honolulu, Mililani/Waipio/Melemanu Neighborhood Board No. 25, Mililani Town Anti-Drug Committee, and concerned individuals testified in support of this bill. The Department of Health did not support this measure.

Your Committee has amended this measure by changing:

- (1) The general fund appropriation to the Emergency Medical Services Special Fund from \$1,300,000, to \$1; and
- (2) The effective date from July 1, 2006, to July 1, 2020, to encourage further discussion.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2126, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2126, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Nakasone, Moses and Stevens.

**SCRep. 713-06 Finance on H.B. No. 2187**

The purpose of this bill is to ensure that the rural areas of Oahu continue to be provided with rapid emergency medical transport services by:

- (1) Appropriating funds to the Department of Health (DOH) to contract with a government agency or United States military unit to provide intra-island roto-wing emergency aeromedical services for rural Oahu only; and
- (2) Requiring that one additional ground emergency medical services ambulance be provided until the specified intra-island roto-wing aeromedical services are secured.

Hawaii Air Ambulance, Inc., The Queen's Medical Center, Pacific Medical Assets, Inc., and a concerned individual testified in support of this bill. The Department of Health and Emergency Services Department of the City and County of Honolulu supported the intent of this measure.

Your Committee has amended this bill by changing:

- (1) The appropriation amount to \$1; and
- (2) The effective date from July 1, 2006, to July 1, 2020, to encourage further discussion.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2187, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2187, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Moses and Stevens.

**SCRep. 714-06 Finance on H.B. No. 2526**

The purpose of this bill is to improve the delivery of emergency medical services by appropriating funds as a grant-in-aid to Hawaii County for dedicated emergency medical service personnel to staff the aeromedical helicopter unit on the island of Hawaii.

The County of Hawaii and Pacific Medical Assets, Inc., testified in support of this bill. The Department of Health supported the intent of this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2526, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2526, H.D. 2.

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

**SCRep. 715-06 Finance on H.B. No. 2884**

The purpose of this bill is to improve emergency health care for residents and visitors of the Haiku region of Maui by providing twenty-four-hour advanced life support ambulance service in that region.

The Mayor of Maui County, a Maui County Council member, American Medical Response, and several concerned individuals testified in support of this bill. The Department of Health opposed the measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2884, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2884, H.D. 2.

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

**SCRep. 716-06 Finance on H.B. No. 2771**

The purpose of this bill is to provide more agricultural opportunities in Hawaii by making an appropriation to the Department of Agriculture to develop a master plan for an agricultural park in Royal Kunia.

The Hawaii Farm Bureau, Hawaii Agriculture Research Center, Hawaii Crop Improvement Association, Meadow Gold Dairies, and a concerned individual testified in support of this bill. The Department of Agriculture provided comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2771, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2771, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Nishimoto, Takamine, Wakai, Meyer and Stevens.

**SCRep. 717-06 Finance 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 an incentive to incorporate in this form by exempting these corporations from a certain percentage of corporate taxes.

The Hawaii Alliance for Community-Based Economic Development, Democratic Party of Maui County, Hawaii Democratic Party Oahu County Committee, and Inner Ocean Publishing testified in support of this bill. The Department of Commerce and Consumer Affairs and Tax Foundation of Hawaii offered comments.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3118, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3118, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Nishimoto, Takamine, Wakai, Meyer and Stevens.  
(Representative Moses voted no.)

**SCRep. 718-06 Finance on H.B. No. 3216**

The purpose of this bill is to direct the Auditor to conduct an audit to determine the feasibility of deploying alternative energy resources to meet the energy needs of the island of Kaho'olawe and submit a report of findings and recommendations to the Legislature and Governor prior to the convening of the Regular Session of 2007.

Your Committee received no testimony regarding this bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3216, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3216, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Takamine, Tsuji, Meyer and Stevens.

**SCRep. 719-06 Finance on H.B. No. 1809**

The purpose of this bill is to assist our citizen-soldiers by allowing all members of the United States armed forces on active federal service outside Hawaii to renew their driver's licenses within 90 days of their return to the state or discharge from hospitalization.

The Department of Defense, City and County of Honolulu, Hawaii National Guard Enlisted Association, and The Chamber of Commerce of Hawaii testified in support of this bill.

Your Committee has amended this bill by:

- (1) Clarifying that the armed forces member may file an application for a renewal of the driver's license within the specified time period, rather than stipulating that the member's license shall not be revoked or forfeited for failure to file a timely application; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1809, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1809, H.D. 2.

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

**SCRep. 720-06 Finance on H.B. No. 1879**

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

OVS, Advisory Board on Veterans Services, and a concerned individual testified in support of this bill.

Your Committee has amended this measure by changing its effective date from July 1, 2006, to July 1, 2020, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1879, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1879, H.D. 1.

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

**SCRep. 721-06 Finance on H.B. No. 1890**

The purpose of this bill is to foster international relations by statutorily establishing a Hawaii sister-state committee to recommend sister-state or sister-province relationships for the Legislature's action.

The Department of Business, Economic Development and Tourism 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, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1890, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1890, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Takamine, Tsuji, Meyer and Stevens.

**SCRep. 722-06 Finance on H.B. No. 2259**

The purpose of this bill is to activate the 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 these expenditures;

and
- (2) Appropriating monies to the Office for the purposes described above.

The Representative of the 35<sup>th</sup> District testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing its 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 record of votes of 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. 2259, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2259, H.D. 1.

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

**SCRep. 723-06 Finance on H.B. No. 2443**

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

The Department of Defense and Department of Health testified in support of this bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2443, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2443, H.D. 1.

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

**SCRep. 724-06 Finance on H.B. No. 2446**

The purpose of this bill is to improve disaster preparedness in the state by providing a grant to The Queen's Medical Center (Center) to increase its emergency power generator system to a maximum capacity of 6,000 kilowatts for the Center's continued operation as a hospital and trauma center in the event of a disaster.

The Center testified in support of this bill. The Department of Health and Department of Defense supported the intent of this measure. The Hawaii Hurricane Relief Fund opposed this bill.

Your Committee is aware that other medical facilities, that could potentially serve as trauma centers in times of disasters, have needs similar to the Center's.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2446, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2446, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Evans, Tsuji and Yamane.  
(Representatives Meyer, Moses, Pine and Stevens voted no.)

**SCRep. 725-06 Finance on H.B. No. 2448**

The purpose of this bill is to enhance security in correctional facilities that are under the jurisdiction of the Department of Public Safety (PSD) by upgrading their surveillance systems. Specifically, this bill appropriates funds for a consultant to determine the costs of upgrading the facilities' surveillance systems.

The PSD 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, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2448, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2448, H.D. 2.

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

**SCRep. 726-06 Finance on H.B. No. 2521**

The purpose of this bill is to assist in the fight against drug abuse by appropriating funds for grass-roots, community-based, anti-drug and substance abuse events in the County of Hawaii.

A member of the Hawaii County Council supported this bill.

Your Committee has amended this bill by:

- (1) Changing the amount appropriated 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2521, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2521, H.D. 1.

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

**SCRep. 727-06 Finance 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, Blueprint for Change, A Woman's Voice International, and some concerned individuals testified in support of this bill. The Department of Public Safety opposed this measure.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2595, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2595, H.D. 1.

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

**SCRep. 728-06 Finance on H.B. No. 2696**

The purpose of this bill is to protect legitimately ill employees by:

- (1) Prohibiting an employer or labor organization from discharging or otherwise disciplining an employee for lawful use of the employee's accrued and available sick leave; and
- (2) Establishing procedures for filing a complaint against an employer who retaliates against an employee for lawfully utilizing sick leave.

The Hawaii State Teachers Association and ILWU Local 142 testified in support of this bill. The Hawaii State AFL-CIO supported the intent of this measure. The Department of Human Resources Development, Department of Labor and Industrial Relations, The Chamber of Commerce of Hawaii, Society for Human Resource Management – Hawaii Chapter, Hawaii Pacific Health, Staffing Solutions of Hawaii, Kauai Chamber of Commerce, Hawaiian Host Chocolates, and Meadow Gold Dairies opposed this bill. Hawaiian Telcom offered comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2696, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2696, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Nishimoto, Wakai, Yamane, Meyer, Moses, Pine and Stevens.

(Representative Evans voted no.)

**SCRep. 729-06 Finance on H.B. No. 1880**

The purpose of this bill is to protect Honolulu Harbor for 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).

DOT, the Department of Business, Economic Development, and Tourism, ILWU Local 142, Hawaii Harbor Users Group, The Chamber of Commerce of Hawaii, Young Brothers, Limited, Alexander & Baldwin, Inc., Matson Navigation Company, Inc., and a concerned individual testified in support of this bill. The Hawaii Community Development Authority supported the intent of this measure with amendments.

Your Committee has amended this bill by:

- (1) Changing its 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 record of votes of 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. 1880, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1880, H.D. 2.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 730-06 Finance 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 an operating contract with the Hawaii Tourism Authority.

The Department of Taxation supported the intent 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, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1922, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1922, H.D. 1.

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

**SCRep. 731-06 Finance on H.B. No. 2075**

The purpose of this bill is to support bicycling as an alternative mode of transportation by earmarking an unspecified portion of the State Highway Fund for bikeways.

The Hawaii Bicycling League, Kahoomiki-Hawaii's Council on Physical Activity, the University of Hawaii, Manoa Bicycling Committee, Na Kama Hele, 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 offered comments.

Your Committee has amended this bill by:

- (1) Specifying that the amounts earmarked from the State Highway Fund for bikeways shall be limited to federally allocated moneys;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2075, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2075, H.D. 1.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 732-06 Finance 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 with amendments. The Department of Transportation and the Department of Taxation opposed this measure. The Tax Foundation of Hawaii submitted comments.

Your Committee has amended this measure by:

- (1) Clarifying that the motor vehicle rental surcharge tax is not applicable to a lessor if the lessor is renting a vehicle to replace a vehicle that is being repaired, provided that the repair order for the vehicle is retained by the lessor for two years for verification purposes, unless the records are maintained by a motor vehicle repair dealer for two years;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2214, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2214, H.D. 1.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 733-06 Finance 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 for the counties' road systems.

The Department of Transportation (DOT), Mayor of the County of Hawaii, Department of Facilities Maintenance of the City and County of Honolulu, Department of Public Works of the County of Hawaii, and a Maui County Council member testified in support of this bill.

Your Committee has amended this measure by:

- (1) Changing its effective date from upon approval to June 29, 2006; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2423, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2423, H.D. 1.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 734-06 Finance 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 by establishing and appropriating funds for a Roads in Limbo Program for road repair and maintenance.

A member of the Hawaii County Council 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, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2520, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2520, H.D. 1.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 735-06 Finance 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, HMSHost, and the Legislative Committee for the Airports Concessionaires Committee supported this bill.

Your Committee has amended this measure by:

- (1) Changing its 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 record of votes of 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. 2637, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2637, H.D. 1.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 736-06 Finance on H.B. No. 2715**

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

The State of Hawaii Organization for Police Officers testified in support of this bill. The Department of Human Resources of the City and County of Honolulu supported the intent of this bill. The Department of Budget and Finance and Maui County Department of Personnel Services opposed this measure. The Hawaii County Department of Civil Service submitted written testimony opposing the bill as drafted, but explained in its oral testimony that it would support the bill with amendments.

Your Committee amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2715, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2715, H.D. 1.

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

**SCRep. 737-06 Finance 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 these positions.

The Hawaii Business Roundtable and The Chamber of Commerce of Hawaii testified in support of this bill. The Board of Education supported the intent of this measure. DOE supported the bill in part.

Your Committee has amended this bill by:

- (1) Changing its 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 record of votes of 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. 1865, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1865, H.D. 1.

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

**SCRep. 738-06 Finance on H.B. No. 1889**

The purpose of this bill is to establish an Office of International Affairs within the Department of Business, Economic Development, and Tourism to coordinate and promote economic, social, cultural, and scientific relations with other countries.

The Department of Business, Economic Development, and Tourism offered comments.

Your Committee wishes to note that international protocol for visiting dignitaries is currently handled through the Governor's office. However, there is no formal system in place for protocol assistance should it be required by the Legislature. Your Committee therefore requests that consideration be given to the possibility of incorporating a protocol function within the proposed Office of International Affairs.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1889, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1889, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Takamine, Tsuji, Meyer and Stevens.

**SCRep. 739-06 Finance on H.B. No. 1891**

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

The Department of Education (DOE) supported this measure with amendments. The Department of Budget and Finance opposed this measure. The Department of Taxation and Tax Foundation of Hawaii offered comments.

Your Committee noted concerns raised by the DOE regarding the unnecessary provision of depositing funds specifically for bond-funded R&M and cash-funded repair. Accordingly, your Committee has amended this bill by:

- (1) Deleting provisions that deposit funds specifically for bond-funded R&M and cash-funded repair; and
- (2) Changing the effective date to July 1, 2020, to encourage further discussion.

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

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

**SCRep. 740-06 Finance on H.B. No. 2179**

The purpose of this bill is to support agricultural initiatives in Hawaii by:

- (1) Establishing the Irrigation Repair and Maintenance Special Fund (Special Fund);
- (2) Establishing a tax credit for matching funds provided by landowners who receive funding from the Special Fund; and
- (3) Appropriating funds for various irrigation systems and for the Special Fund.

The University of Hawaii's College of Tropical Agriculture and Human Resources, County of Kauai's Office of Economic Development, Maui County Farm Bureau, Agribusiness Development Corporation, Hawaii Farm Bureau Federation, Hawaii Crop Improvement Association, Meadow Gold Dairies, C&H Farms, Pineapple Growers Association of Hawaii, and East Kauai Water Users' Cooperative supported this bill. The Board of Agriculture and Land Use Research Foundation of Hawaii supported the intent of this measure. Alexander and Baldwin, Inc., supported this bill with amendments. Castle and Cooke Hawaii supported the intent of this measure and suggested amendments. The Department of Taxation opposed this bill. The Department of Budget and Finance and Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Broadening the use to which the land served by an irrigation system for which funding assistance was applied may be put, by changing the required use from diversified agriculture to any type of agriculture;
- (2) Including lands controlled by a landowner, not just owned by the landowner, in the use and important agricultural lands requirements;
- (3) Changing the effective date to July 1, 2010, to encourage further discussion; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2179, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2179, H.D. 2.

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

**SCRep. 741-06 Finance on H.B. No. 2180**

The purpose of this bill is to strengthen our economy by establishing two new programs within the University of Hawaii community college system that will provide vocational and industrial training. Specifically, this bill establishes:

- (1) The Rapid Response Development and Training Program, aimed at expediting the employment of unemployed and underemployed persons who cannot reasonably be expected to obtain full-time employment without receiving training; and

- (2) The Construction Academy, to address the shortage of employees in the rapidly growing construction industry.

The University of Hawaii, Hawaii Business Roundtable, Economic Development Alliance of Hawaii, and Pacific Resource Partnership testified in support of this bill.

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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2180, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2180, H.D. 2.

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

**SCRep. 742-06 Finance 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:

- (1) Appropriating additional funds for new claims that have been resolved, totaling \$3,815,963.55; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2277, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2277, H.D. 2.

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

**SCRep. 743-06 Finance on H.B. No. 2540**

The purpose of this bill is to increase the number of precinct officials to better serve voters on election day by appropriating funds to increase their stipends.

The Office of Elections, Kauai Office of the County Clerk Elections Division, Maui Office of the County Clerk, and the Association of Clerks and Election Officers of Hawaii testified in support of this bill.

Your Committee has amended this measure by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2540, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2540, H.D. 2.

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

**SCRep. 744-06 Finance 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 testified in support of this bill.

Your Committee has amended this measure by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2625, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2625, H.D. 1.

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

**SCRep. 745-06 Finance on H.B. No. 2947**

The purpose of this bill is to assist unemployed individuals and 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
- (3) Providing funds to Oahu's workforce investment board.

The Department of Labor and Industrial Relations and Department of the Attorney General commented on this bill.

Your Committee has amended this measure by:

- (1) Changing its 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 record of votes of 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. 2947, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2947, H.D. 2.

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

**SCRep. 746-06 Finance on H.B. No. 3068**

The purpose of this bill is to promote agricultural development in the Kunia area of Oahu by establishing the Kunia Special Agricultural District (District) and providing specific means through which agricultural development can occur within the District.

The Hawaii Agriculture Research Center, C&H Farms, Meadow Gold Dairies, Hawaii Crop Improvement Association, Pineapple Growers Association of Hawaii, and Hawaii Farm Bureau testified in support of this bill. The Agribusiness Development Corporation and ILWU Local 142 supported the intent of this measure. The City and County of Honolulu Department of Planning and Permitting opposed this bill. The Department of Agriculture, Department of Budget and Finance, and Land Use Research Foundation of Hawaii offered comments.

Your Committee wishes to acknowledge concerns raised that the use of linked investments as specified in this bill may provide the State with below-market rates of return. Additionally, language in the measure may not adequately clarify that the State will not run the risk of losing principal in the case of loan default through a linked investment.

Your Committee also wishes to point out that the lack of boundary descriptions for the District makes its delineation difficult and unclear.

However, your Committee believes that the concept of creating a district for agricultural development should be explored further. To encourage continued discussion on the matter, your Committee has amended this bill by:

- (1) Changing the amount of the appropriation to \$1; and
- (2) Changing the effective date to July 1, 2020.

Your Committee has also made technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3068, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3068, H.D. 3.

Signed by all members of the Committee except Representatives Carroll, Nishimoto, Takamine, Wakai, Meyer and Stevens.

**SCRep. 747-06 Finance on H.B. No. 3154**

The purpose of this bill is to protect children and pregnant women from the harmful effects of mercury found in many vaccines today by providing that, depending on availability, preference be given to children under 12 and pregnant women not to be administered vaccines

containing more than a trace amount of mercury and, for the 2007-2008 flu season, prohibits such vaccinations, to the greatest extent possible, for all.

The Cure Autism Now Foundation, Lanikai School Parent Teacher Association, and numerous concerned individuals supported this bill. A concerned individual supported the intent of this measure. The Department of Health opposed this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3154, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3154, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Magaoay, Nishimoto, Takamine, Tsuji, Meyer and Pine.

**SCRep. 748-06      Judiciary on H.B. No. 861**

The purpose of this bill is to improve the workers' compensation law by:

- (1) Exempting sole proprietors, individual partners of partnerships, and certain members of limited liability companies, from the workers' compensation insurance requirement; and
- (2) Assessing fees for opting in and out of purchasing workers' compensation insurance.

The Department of Labor and Industrial Relations, Hawaii Association of Realtors, NFIB Hawaii, and a concerned individual testified in support of this bill.

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. 861, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 861, H.D. 2.

Signed by all members of the Committee except Representatives Kanohe and Morita.

**SCRep. 749-06      Judiciary 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 testified in support of this bill. A concerned individual opposed this measure.

Your Committee has amended this bill by:

- (1) Deleting the purpose language;
- (2) Requiring safety helmets to meet the specifications and requirements established by rules adopted by the Director of Transportation, rather than meeting federal standards;
- (3) Changing the effective date to July 1, 2006, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1899, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1899, H.D. 1.

Signed by all members of the Committee except Representatives Kanohe and Morita.

**SCRep. 750-06      Judiciary on H.B. No. 1939**

The purpose of this bill is to:

- (1) Require the Board of Land and Natural Resources, with respect to the disposition of public lands to any department or agency of the State, county, any other political subdivision of the State, or any person, to give notice and hold public hearings in the Senate district where the public land is situated; and
- (2) Exclude from this requirement minor dispositions, including but not limited to permits, licenses, rights of entry, or grants to any state or county department or agency for roadway or infrastructure improvements.

The Department of Land and Natural Resources, Hawaiian Electric Company, Inc., Hawaii Electric Light Company, and Maui Electric Company provided comments.

Your Committee has amended this bill by:

- (1) Adding public utility easements under the exceptions for minor dispositions; 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. 1939, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1939, H.D. 2.

Signed by all members of the Committee except Representatives Kanoho and Karamatsu.

**SCRep. 751-06      Judiciary on H.B. No. 1982**

The purpose of this bill is to permanently establish the humuhumunukunua'ua (rhinecanthus rectangulus), also known as the rectangular triggerfish, as the official fish of the state.

The Attorney General and numerous concerned individuals testified in support of this bill. The Department of Land and Natural Resources opposed this measure.

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

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. 1982, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1982, H.D. 2.

Signed by all members of the Committee except Representatives Kanoho and Karamatsu.

**SCRep. 752-06      Judiciary 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 Office of Hawaiian Affairs, 'Ahaui Siwila Hawaii O Kapolei, American Civil Liberties Union of Hawaii, Hawaii Women's Coalition, Healthy Mothers, Healthy Babies, Coalition of Hawaii, Kaiser Permanente Hawaii, Native Hawaiian Legal Corporation, Waikiki Hawaiian Civic Club, and numerous concerned individuals testified in support of this bill. The Department of Health (DOH) supported this measure with an amendment.

Your Committee finds that the establishment of a new section in Chapter 321, Hawaii Revised Statutes (HRS), is more appropriate than placing the bill's provisions under section 321-21, HRS, dealing with management and disposal of infectious wastes, given that the purpose of this measure is to honor religious and cultural practices associated with childbirth. Removal of the bill's provisions from section 321-21, HRS, also frees DOH from rulemaking requirements of that section and provides more immediate relief for those who would benefit from the release of human placenta.

Accordingly, your Committee has amended this bill by:

- (1) Modifying the purpose clause;
- (2) Placing the bill's provisions in a new section to be added to Chapter 321, HRS, rather than in section 321-21, HRS; 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. 2057, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2057, H.D. 2.

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

**SCRep. 753-06      Judiciary on H.B. No. 2397**

The purpose of this bill is to protect Hawaii's natural resources, including its coral reefs, by:

- (1) Requiring owners or operators of vessels that run aground on submerged lands, state shorelines, or state coral reefs to remove the vessel immediately;
- (2) Requiring owners or operators of vessels that run aground on sand beaches, sandbars, or mudflats, and not in imminent danger of breaking up to remove the vessel within 72 hours;
- (3) 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, at the expense of the owner or operator; and
- (4) 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.

DLNR and the Office of Hawaiian Affairs 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. 2397, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2397, H.D. 1.

Signed by all members of the Committee except Representative Sonson.

**SCRep. 754-06      Judiciary 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, Department of Health, and Honolulu Police Department testified in support of this bill. The Office of the Public Defender opposed this measure.

Your Committee has amended this bill by:

- (1) Removing new provisions for license revocation and imprisonment for violations of the pedestrian crosswalk law;
- (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. 2422, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2422, H.D. 1.

Signed by all members of the Committee except Representatives Kanohe and Morita.

**SCRep. 755-06      Judiciary 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, Na Leo Pohai, Scenic Hawaii, Inc., and Sierra Club, Hawaii Chapter, testified in support of this bill. A concerned citizen testified in opposition to this measure. The Department of the Attorney General (AG) submitted comments.

Your Committee was concerned about possible constitutional challenges arising from any distinction between commercial and non-commercial speech, and therefore feels the approach and language proposed by the AG and Outdoor Circle was better because it related to content neutral "vehicular advertising devices."

Additionally, your Committee finds that a distinction should be made between an economic benefit derived by a person or organization that provides a space or device for advertisements and publicity, and the benefit derived by an owner or operator of a business through advertisement of their product on their own vehicles. Accordingly, your Committee has amended this measure by:

- (1) Clarifying that the prohibition on vehicular advertising does not apply to an owner or operator of any vehicular advertising device from which the owner or operator derives any benefit from the public exposure effect of the advertising;
- (2) Defining "person" to mean any person, corporation, partnership, or other entity conducting business in the state;
- (3) Defining "vehicular advertising device" to mean a sign, writing, picture, poster, painting, notice, bill, model, display, symbol, emblem, or similar device, which is so designed that it draws the attention of persons in any public street, roadway, or other public place;
- (4) Deleting the definitions of "advertising vehicle" and "consideration";
- (5) Changing the amount of the fine to an indeterminate amount to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2708, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2708, H.D. 2.

Signed by all members of the Committee except Representatives Kanohe and Karamatsu.

**SCRep. 756-06      Judiciary on H.B. No. 1955**

The purpose of this bill is to further protect Hawaii's environment by increasing the minimum penalty for littering from \$25 to \$500 and the maximum penalty from \$500 to \$1,000.

The Malama Waimanalo Coalition Windward Ahupua'a Alliance, and a concerned individual testified in support of this bill. The Office of the Public Defender opposed this measure.

Your Committee has amended this bill by:

- (1) Restoring the minimum fine for littering to \$25;
- (2) Inserting a savings clause;
- (3) Changing the effective date to July 1, 2006, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1955, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1955, H.D. 1.

Signed by all members of the Committee except Representative Sonson.

**SCRep. 757-06      Judiciary on H.B. No. 2343**

The purpose of this bill is to prevent unlawful acts during a civil defense emergency by significantly increasing the criminal penalties for the commission of certain crimes during such a period. Specifically, this bill:

- (1) Defines a "civil defense emergency worker";
- (2) Classifies assault on an emergency worker, causing substantial bodily injury or with a dangerous weapon, as a class A felony;
- (3) Classifies burglary of a dwelling during a civil defense emergency as a class A felony and of a building during a civil defense emergency as a class B felony;
- (4) Classifies property damage and theft of over \$300 during a civil defense emergency as a class B felony; and
- (5) Classifies robbery through the use or threat of force during a civil defense emergency as a class A felony.

The Department of the Attorney General and the Department of Defense testified in support of this bill. The Office of the Public Defender opposed this measure. The Department of the Prosecuting Attorney of the City and County of Honolulu offered comments.

Your Committee has amended this bill by:

- (1) Reducing the classification of assault on an emergency worker from a class A to a class B felony;
- (2) Providing that an element of the crime of burglary during the time of civil defense emergency is that the individual recklessly disregards the risk of entering a building that is the dwelling of another, and the building is such a dwelling;
- (3) Adding a savings clause;
- (4) Changing the effective date to January 1, 2006, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2343, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2343, H.D. 1.

Signed by all members of the Committee except Representative Sonson.

**SCRep. 758-06      Judiciary on H.B. No. 2639**

The purpose of this bill is to single-out and sanction highly intoxicated drivers (HIDs), whose high blood alcohol level makes HIDs particularly dangerous to themselves, the driving public, and pedestrians by, among other things:

- (1) Imposing a six-month administrative revocation of license and privilege to operate a vehicle and of the registration of any motor vehicle registered to HIDs; and
- (2) Promptly suspending, for one-year, the license and privilege to operate a vehicle by HIDs.

The Department of Transportation, Department of Health, Police Department, and Mothers Against Drunk Driving Hawaii testified in support of this bill. The Public Defender opposed this measure. The Judiciary offered comments.

Your Committee notes that the one-year period of suspension for a HID, unlike the six-month administrative revocation, undermines the effectiveness of the incentive for drivers to take the breath, blood, or urine test because the sanction for failing to take the test is a one-year revocation of license and vehicle registration.

Accordingly, your Committee has amended this bill by:

- (1) Changing the suspension period of a HID's license and privilege to operate a vehicle to six months;
- (2) Changing the effective date to January 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. 2639, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2639, H.D. 2.

Signed by all members of the Committee except Representatives Kanoho and Morita.

**SCRep. 759-06      Judiciary 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 and the Office of Hawaiian Affairs testified in support of this bill.

Your Committee has amended this bill by:

- (1) Defining "mitigation plan";
- (2) Adding a savings clause; 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. 2857, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2857, H.D. 1.

Signed by all members of the Committee except Representative Sonson.

**SCRep. 760-06      Judiciary on H.B. No. 2885**

The purpose of this bill is to protect youth and the general public from exposure to adult entertainment products by requiring individuals and businesses that sell adult entertainment products to display the products separately and obscure them from view.

Hawaii Reserves Inc., and numerous concerned individuals testified in support of this bill.

Your Committee notes that while the term "X-rated," used in the definition of "adult entertainment products" is a commonly used term in the general public, it is not statutorily defined. Your Committee finds that use of a similar term that is already statutorily defined would more easily serve the purpose of this bill and also add to the ease of enforcement of this bill if enacted.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that an individual or business selling adult entertainment products shall obscure the products from view from "any location" off the premises;
- (2) Amending the definition of "adult entertainment product" to mean merchandise that is pornographic as currently defined in section 712-1210, Hawaii Revised Statutes; 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. 2885, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2885, H.D. 2.

Signed by all members of the Committee except Representative Sonson.

**SCRep. 761-06      Judiciary on H.B. No. 2968**

The purpose of this bill is to even the playing field between lenders with in-state credit card businesses and those with out-of-state credit card businesses 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 testified in support of this bill. The Hawaii Financial Services Association supported the intent of this measure.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2968, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2968, H.D. 1.

Signed by all members of the Committee except Representatives Kanoho and Morita.

**SCRep. 762-06      Judiciary 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 for intoxicants. Specifically, this measure will require a law enforcement officer to inform an arrested driver of sanctions that may be imposed for refusing to take a blood, breath, or urine test, only if the person withdraws the consent to testing that is implied by operating a vehicle on a public highway or public waters.

The Department of Transportation, 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.

Your Committee has amended this bill by:

- (1) Requiring law enforcement officers who have probable cause to believe a person operating a vehicle is under the influence of an intoxicant or is underage and has consumed a measurable amount of alcohol to:
  - (A) Inform the person that they may refuse to submit to testing to determine alcohol concentration and drug content; and
  - (B) Ask the person if the person still refuses to submit to a breath, blood, or urine test after the law enforcement officer has informed the person of the sanctions under sections 291E-41 and 291E-65, Hawaii Revised Statutes;
- (2) Changing the effective date to July 1, 2006, 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. 3257, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3257, H.D. 1.

Signed by all members of the Committee except Representatives Kanofo and Morita.

#### **SCRep. 763-06 Consumer Protection & Commerce/Judiciary on H.B. No. 1417**

The purpose of this bill is to reduce the number of frivolous lawsuits brought against design professionals by requiring the filing of:

- (1) A certificate of merit with a complaint, cross-claim, counterclaim, or third party complaint stating that the plaintiff has consulted with a design professional who finds that the lawsuit has merit; and
- (2) A preliminary expert opinion affidavit, stating the expert's qualifications and the factual basis for each claim and relationship to the damages alleged, within 90 days of filing of the certificate of merit.

The American Council of Engineering Companies, American Institute of Architects, Coalition of Hawaii Engineering and Architectural Professionals, American Society of Civil Engineers, Engineering Concepts, Inc., Fukunaga & Associates, Inc., Hawaii Pacific Engineers, Inc., Gray, Hong, Nojima & Associates, Inc., Lincoln Scott, Inc., MK Engineers, Ltd, Masa Fujioka & Associates, Miyasato Kuniyoshi Engineers LLC, Miyashiro and Associates, Inc., Pacific Geotechnical Engineers, Inc., Earth Tech, Inc., Finance Insurance, Ltd., Limtiaco Consulting Group, Sato & Associates, Inc., Shigemura, Lau, Sakanashi, Higuchi & Associates, Inc., Tanimura & Associates, Inc., Cedric D. O. Chong & Associates, Inc., Environet, Inc., and PLA Inc., submitted testimony in support of this bill. Consumer Lawyers of Hawaii opposed this bill.

Your Committees find that in 2004, the Right to Repair law was enacted to reduce litigation in the residential construction industry by providing an alternative dispute resolution procedure. When the law was enacted, it repealed the Design Conciliation Panel (DCP) law. As a result, design professionals lost the protection from unmerited lawsuits afforded by the requirement of an informal hearing before the DCP, and the execution of a certificate of consultation by a design professional. This bill would reinstate some of the protection that was lost.

Your Committees have amended this bill by changing its effective date to July 1, 2006. Technical, nonsubstantive amendments were also made for 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. 1417, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 1417, H.D. 1.

Signed by all members of the Committee except Representatives Karamatsu, Morita and Thielen.

#### **SCRep. 764-06 Consumer Protection & Commerce/Judiciary on H.B. No. 2192**

The purpose of this bill is to make processing controlled substance prescriptions more efficient while ensuring continued protection of the public by, among other things:

- (1) Adding definitions to Chapter 329, Hawaii Revised Statutes, the Uniform Controlled Substances Act, to conform to changes in federal law;
- (2) Accommodating the use of automation and new technology in provisions governing the transfer, transmission, and record keeping of prescriptions for controlled substances;
- (3) Setting out specific procedures and requirements for transferring, transmitting, dispensing, and keeping records of controlled substance prescriptions;

- (4) Allowing central fill pharmacies to prepare Schedule III-IV medications and allowing limited information sharing between pharmacies for this purpose;
- (5) Extending from 72 hours to seven days the time within which a practitioner must deliver a schedule II prescription to the pharmacy after placing an emergency oral prescription with the pharmacy;
- (6) Requiring a schedule II controlled substance prescription to be filled within three days of issuance, and to only be supplied to the patient if the pharmacy has filled and held the prescription for no more than seven days;
- (7) Allowing investigative controlled substance prescription information to be provided to state authorized governmental prescription monitoring programs; and
- (8) Prohibiting the obtaining of controlled substances by the unauthorized use of a physician's oral call-in number or the alteration of a prescription by adding future refills.

The Department of Public Safety, Hawaii Pharmacists Association, Kaiser Permanent, and Longs Drugs testified in support of this bill.

Your Committees have amended this bill as recommended by the Department of Public Safety by:

- (1) Redefining "prescription" to mean an order for medication, dispensed to or for an ultimate user, and not an order for medication dispensed for immediate administration to the ultimate user, such as a chart order to dispense a drug of immediate administration to a hospital bed patient;
- (2) Changing the effective date to July 1, 2050 to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for 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. 2192, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 2192, H.D. 2.

Signed by all members of the Committee except Representatives Karamatsu, Morita and Thielen.

**SCRep. 765-06 Finance 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.

DOE, the Board of Education, and Hawaii Business Roundtable 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, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1860, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1860, H.D. 1.

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

**SCRep. 766-06 Finance on H.B. No. 2147**

The purpose of this bill is to mitigate the effects of drought on agricultural operations and the state economy by extending the expiration date for the drought mitigating water storage facility income tax credit.

The Hawaii Crop Improvement Association, Hawaii Farm Bureau Federation, Maui County Farm Bureau, Pineapple Growers Association of Hawaii, Meadow Gold Dairies, and C&H Farms 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 the Tax Foundation of Hawaii provided comments.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2147, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2147, H.D. 1.

Signed by all members of the Committee except Representatives Yamane and Stevens.

**SCRep. 767-06 Finance on H.B. No. 2421**

The purpose of this bill is to stimulate Hawaii's fledgling film, television, and digital media industry by creating a program that allows investors in performing arts qualified high technology businesses (QHTBs) to turn over their investment tax credits to the business they invested in. That business may then transfer the QHTB tax credits back to the State for 20 percent of their face value. This scheme will redirect a higher percentage of local investment dollars towards smaller, independent QHTBs.

The Department of Taxation and Department of Business, Economic Development, and Tourism testified in support of this bill.

Your Committee has amended this measure by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2421, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2421, H.D. 2.

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

**SCRep. 768-06 Finance on H.B. No. 2587**

The purpose of this bill is to address the declining fish stock in Hawaii by requiring the Department of Land and Natural Resources (DLNR) to:

- (1) Assess the effectiveness of no-take marine managed areas; and
- (2) Assess, prioritize, and implement effective measures and programs to increase Hawaii's fish population now and in the future.

This bill appropriates funds for this purpose, as well as for DLNR to hire additional personnel to assist in the enforcement of the State's fishing laws.

The Ocean Law & Policy Institute and many concerned individuals testified in support of this bill. DLNR and the Hawaii Nearshore Fishermen supported the intent of this measure. The Conservation Council for Hawaii and KAHEA: The Hawaiian-Environmental Alliance opposed this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2587, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2587, H.D. 2.

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

**SCRep. 769-06 Finance 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. The Department of Budget and Finance provided comments.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2761, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2761, H.D. 1.

Signed by all members of the Committee except Representatives Yamane and Stevens.

**SCRep. 770-06 Finance on H.B. No. 2806**

The purpose of this bill is to appropriate funds for the Hawaii 2050 Sustainability Task Force (Task Force) to continue its efforts in analyzing policy, gathering research, soliciting community input, and launching a public-education campaign.

The Office of the Auditor, Department of Business, Economic Development, and Tourism's Office of Planning, Asia Pacific Flowers, Inc., Navatek Ltd., OmniTrak Group Inc., Hawaii Biotech, Inc., and several concerned individuals testified in support of this bill.

Your Committee has amended this bill by:

- (1) Giving the Task Force the additional duty to use the appropriated funds to assess the feasibility and benefits of establishing "Hawaii" as a name brand; and
- (2) Making technical, nonsubstantive amendments for consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2806, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2806, H.D. 1.

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

**SCRep. 771-06 Finance on H.B. No. 2925**

The purpose of this bill is to promote, strengthen, and diversify Hawaii's economy by appropriating funds for Hawaii Community-Based Economic Development Technical and Financial Assistance Program.

The Hawaii Alliance for Community-Based Economic Development, Hawaii Small Business Development Center Network, Empower Oahu, Kipahulu Ohana, Naalehu Main Street, Kona Pacific Farmers Cooperative, and Volunteer Legal Services Hawaii supported this bill. The Department of Business, Economic Development, and Tourism supported the intent of this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2925, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2925, H.D. 1.

Signed by all members of the Committee except Representatives Magaoay, Wakai and Stevens.

**SCRep. 772-06 Finance 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, acquisition, construction, and improvement of its educational facilities.

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

Your Committee has amended this bill by:

- (1) Changing the approximate cost of an administration or classroom building from \$3,250,000 to \$2,750,000;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2987, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2987, H.D. 1.

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

**SCRep. 773-06 Finance on H.B. No. 3142**

The purpose of this bill is to sustain trauma care resources in the state by:

- (1) Establishing the Trauma Care Fund (Fund) to provide reimbursements for documented costs of uncompensated care incurred by a trauma center; and
- (2) Specify dedicated sources of revenue for the Fund.

The Healthcare Association of Hawaii, The Queen's Medical Center, and Hawaii Pacific Health supported this bill with amendments. The Department of Health and Department of Budget and Finance offered comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3142, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3142, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Magaoy, Nishimoto, Takamine, Tsuji, Meyer and Pine.

**SCRep. 774-06 Finance on H.B. No. 3258**

The purpose of this bill is to foster and sustain good relationships and cultural interaction between the Philippines and Hawaii by directing the Department of Education (DOE), in consultation with other organizations, to develop and implement a Student-and-Faculty Exchange Program between Hawaii and the Philippines.

The University of Hawaii, Na Loio—Immigrant Rights and Public Interest Legal Center, San Manuel Pangasinan Association of Hawaii, United Pangasinan of Hawaii, Lingayen Gulf Club of Hawaii, and several concerned individuals testified in support of this bill. DOE supported the intent of this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3258, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3258, H.D. 2.

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

**SCRep. 775-06 Consumer Protection & Commerce on H.B. No. 2589**

The purpose of this bill is to provide increased access to mental health services for persons in areas with little or no access to psychiatrists, by allowing the prescribing of a limited formulary of psychotropic medications by a person who holds a conditional prescription certificate and:

- (1) Is licensed as a psychologist;
- (2) Completes a specified sequence of psychopharmacological training from an institution of higher learning;
- (3) Completes a supervised practicum of at least one year involving 400 hours of treating a diverse population of not less than 100 patients with mental disorders;
- (4) Passes a national proficiency examination on pharmacology in the diagnosis, care, and treatment of mental disorders;
- (5) Applies for a Federal Drug Enforcement License for limited use;
- (6) Will practice the prescribing authority at:
  - (A) A federally qualified health center (FQHC);
  - (B) A licensed health clinic in a federally designated medically underserved area; or
  - (C) A licensed health clinic located in a mental health professional shortage area;
- (7) Obtains malpractice insurance;
- (8) Practices the prescribing authority while maintaining an ongoing collaborative relationship with the patient's physician; and
- (9) Meets any other requirements of the Board of Psychology.

This bill also provides for issuance of a prescription certificate allowing the prescribing of psychotropic medication without the requirement of an ongoing collaborative relationship with the patient's general care physician. The prescription certificate requires two years of successful prescribing under a conditional prescription certificate and an independent peer review of the psychologist.

The American Psychological Association, Hawaii Primary Care Association, Hamakua Health Center, Inc., Bay Clinic, Inc., Louisiana Academy of Medical Psychologists, Waikiki Health Center, and numerous concerned individuals supported this bill. The Board of Medical Examiners, Department of Health, Hawaii Psychiatric Medical Association, American Psychiatric Association, Hawaii Medical Association, National Alliance for the Mentally Ill Oahu, American Association of Applied and Preventive Psychology, and numerous concerned individuals opposed this bill. The Board of Psychology offered comments on this bill.

Your Committee finds that community health centers are playing an important role in providing underserved communities with urgently needed behavioral health care, particularly substance abuse services. However, FQHCs are at a distinct disadvantage when recruiting mental health professionals because of their limited financial resources and their location in geographically isolated areas. In addition, there are insufficient numbers of psychiatrists in the state to meet the need even if adequate funding were available.

Your Committee finds that providing a limited prescribing authority to appropriately trained psychologists could significantly improve the ability of individuals in this state to obtain needed mental health services. Your Committee believes that psychologists who have received appropriate education and training, could, if practicing the prescribing authority in collaboration with the patient's primary care physician, safely provide the behavioral health services so desperately needed by our underserved populations. In so doing, they will help to improve the quality of the lives of these individuals, their families, and of the people in their communities.

Your Committee has amended this measure to:

- (1) Specify that at least half of the continuing education hours required of a holder of a prescription certificate must be in pharmacology or psychopharmacology;
- (2) Allow persons holding a conditional prescription certificate or prescription certificate to order and review laboratory tests in conjunction with the prescribing of psychotropic medication;
- (3) Establish a Formulary Advisory Committee to establish, periodically review, and recommend amendments to an exclusionary formulary list by rule;
- (4) Specify medications that must be included on the exclusionary formulary list;
- (5) Restrict the medication that may be prescribed under the bill to psychotropic medications not included on the exclusionary formulary list; and
- (6) Make technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2589, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2589, H.D. 2.

Signed by all members of the Committee except Representatives Kanoho, Sonson and Souki.  
(Representative Stonebraker voted no.)

**SCRep. 776-06 Consumer Protection & Commerce on H.B. No. 2796**

The purpose of this bill is to protect consumers of products produced in whole or in part from Hawaii-produced honey from mislabeled and potentially unwholesome products by:

- (1) Mandating disclosure in product labeling and advertising of the specific geographic origins of the contents of the product by weight;
- (2) Specifying prohibited advertising and labeling practices;
- (3) Requiring recordkeeping to allow enforcement of the law; and
- (4) Authorizing the Department of Health to adopt rules to implement the law.

The Source Natural Food Store, C&H Farms, Island Honey, LLC, and several concerned individuals supported this bill. The Department of Agriculture 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2796, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2796, H.D. 1.

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

**SCRep. 777-06 Finance 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.

The Office of Hawaiian Affairs and a concerned individual testified in support of this bill. The Department of Education supported the intent of this measure. A concerned individual offered comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1884, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1884, H.D. 1.

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

**SCRep. 778-06 Finance 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 up to \$6,000,000 in special purpose revenue bonds to assist Kawaiahao School in the planning, construction, and improvement of its educational facilities.

Kawaiahao School, Kawaiahao Church, and the Hawaii Association of Independent Schools testified in support of this bill. The Department of Budget and Finance offered comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2713, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2713, H.D. 1.

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

**SCRep. 779-06 Finance on H.B. No. 2759**

The purpose of this bill is to enhance the State's efforts in the battle against the coqui frogs that are establishing communities throughout our state and creating personal and financial hardships for our citizens by requiring the Invasive Species Council to give priority to eradicating coqui frogs that are on lands owned by the State or any county and within one mile of residential areas.

The Hawaii Farm Bureau, Hawaii Association of Realtors, Maui Outdoor Circle, C&H Farms, and several concerned individuals supported this bill. The Department of Agriculture, Department of Land and Natural Resources, and The Nature Conservancy supported the intent of this measure.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2759, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2759, H.D. 1.

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

**SCRep. 780-06 Finance on H.B. No. 2767**

The purpose of this bill is to address the problem of agricultural pests in Hawaii by appropriating interim funding in anticipation of federal funding for the fruit fly eradication program.

The Hawaii Farm Bureau Federation and C&H Farms testified in support of this bill. The Department of Agriculture supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Changing its 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 record of votes of 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. 2767, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2767, H.D. 2.

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

**SCRep. 781-06 Finance on H.B. No. 2774**

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

The University of Hawaii's College of Tropical Agriculture and Human Resources, Hawaii Agriculture Research Center, Hawaii Farm Bureau Federation, Alexander & Baldwin, Inc., Maui County Farm Bureau, Pineapple Growers Association of Hawaii, Meadow Gold Dairies, C&H Farms, and Hawaii Crop Improvement Association testified in support of this bill. The Department of Agriculture also supported this measure, provided that its passage does not affect priorities in the Executive Biennium Budget.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2774, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2774, H.D. 1.



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

**SCRep. 782-06 Finance on H.B. No. 2848**

The purpose of this bill is to meet Hawaii's energy goals by appropriating \$200,000 to reconvene the Hawaii Energy Policy Forum (HEPF) to implement the vision, concepts, and recommendations contained in its final report, "Hawaii at the Crossroads: A Long Term Energy Strategy."

The Department of Business, Economic Development, and Tourism, County of Kauai, HEPF, Hawaii Renewable Energy Alliance, Rocky Mountain Institute, Hawaiian Electric Company, Inc., Maui Electric Company, Ltd., Hawaii Electric Light Company, Inc., PowerLight Corporation, Honolulu Seawater Air Conditioning, LLC, and Haiku Design & Analysis testified in support of this bill. The Gas Company supported the intent of this measure. The Department of Commerce and Consumer Affairs's Division of Consumer Advocacy provided comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2848, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2848, H.D. 2.

Signed by all members of the Committee except Representative Stevens.

**SCRep. 783-06 Finance on H.B. No. 2877**

The purpose of this bill is to provide assistance to the people of Hawaii by suspending the collection of the general excise tax on motor vehicle gasoline for two years.

The Hawaii Transportation Association supported this bill. The Oahu Transit Services, Inc., and Aloha Petroleum supported the intent of this measure. The Department of Taxation, Department of Business, Economic Development, and Tourism, and the Tax Foundation of Hawaii provided comments.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2877, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2877, H.D. 1.

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

**SCRep. 784-06 Finance 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; and
- (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 funds for the pilot project.

The Office of Hawaiian Affairs and several concerned individuals testified in support of this bill. DLNR offered comments, expressing concern that this measure may create areas that only certain people would be allowed to use without resource controls.

Your Committee has amended this bill by:

- (1) Changing the appropriation to \$1; and
- (2) Changing the effective date to July 1, 2020, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2930, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2930, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Takamine, Tsuji, Meyer and Stevens.

**SCRep. 785-06 Finance on H.B. No. 3057**

The purpose of this bill is to appropriate funds to the High Technology Development Corporation (HTDC) to increase funding levels necessary to meet the current needs of:

- (1) The Hawaii Small Business Innovation Research Assistance Program;
- (2) The proposed Hawaii Small Businesses Technology Transfer Grant program; and
- (3) The Phase 0 Competition Assistance program.

The Department of Business, Economic Development, and Tourism, HTDC, Hawaii Science and Technology Council, Archinoetics, Hoku Scientific, 21<sup>st</sup> Century Systems, Inc., Hawaii Aquaculture Association, High Health Aquaculture, Oceanit, Mauna Kea Infrared, Hawaii Biotech, Inc., and Referentia Systems, Inc., supported this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3057, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3057, H.D. 1.

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

**SCRep. 786-06 Finance on H.B. No. 3237**

The purpose of this bill is to determine methods of improving access to early childhood education by establishing the Early Learning Working Group (Working Group) to:

- (1) Develop plans and timelines for an early learning system that maximizes public and private resources to provide early learning opportunities for children who are four years old by January 1 of the school year;
- (2) Make other recommendations for the early learning system; and
- (3) Submit reports of its progress, findings, recommendations, and proposed legislation to the Governor and Legislature.

This bill also appropriates \$250,000 for fiscal year 2006-2007 for the operations of the Working Group.

The University of Hawaii, Hawaii Educational Policy Center, Hawaii Family Support Institute, Hawaii Chapter of the American Academy of Pediatrics, Childcare Business Coalition, and several concerned individuals testified in support of this bill. The Department of Human Services, Waikiki Community Center, Kama'aina Kids, Inc., INPEACE, Waianae Coast Early Childhood Services, and KCAA Preschools of Hawaii supported the intent of this measure. The Good Beginnings Alliance supported this bill with amendments. The Hawaii Association of Independent Schools, Hawaii Association for the Education of Young Children, and a concerned individual opposed this measure in its current form. The Department of Education offered comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3237, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3237, H.D. 2.

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

**SCRep. 787-06 Finance 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.

The UH-Manoa School of Social Work, American Red Cross Hawaii State Chapter, and a concerned individual testified in support of this bill.

To encourage further discussion, your Committee has amended this measure by:

- (1) Changing the appropriation amount to \$1; and
- (2) Changing the effective date to July 1, 2020.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1829, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1829, H.D. 1.

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

**SCRep. 788-06 Finance on H.B. No. 2132**

The purpose of this bill is to appropriate funds to acquire real property underlying Lake Wilson and appurtenant lands to:

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

The ILWU Local 142 and Dole Food Company, Inc., testified in support of this bill. The Department of Land and Natural Resources (DLNR) opposed this measure. The Department of Agriculture offered comments.

Your Committee recognizes that DLNR's mission is to protect and preserve Hawaii's natural and cultural resources, and in the case of Lake Wilson, DLNR's expertise lies within its current activities of managing a freshwater fishing area and adjoining lands as a state park. Therefore, your Committee is concerned that:

- (1) The management and maintenance of a dam and irrigation reservoir are inconsistent with DLNR's vision, mission, and objectives. Just this year, the Auditor reminded DLNR to focus on its primary responsibilities; and
- (2) DLNR is not in a position to assume the enormous liabilities, environmental concerns, maintenance responsibilities, and other concerns associated with the proposed transfer of the irrigation reservoir and related responsibilities.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2132, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2132, H.D. 2.

Signed by all members of the Committee except Representatives Yamane and Stevens.

**SCRep. 789-06 Finance on H.B. No. 2153**

The purpose of this bill is to provide needed medical services to the people of West Maui by appropriating funds to the Department of Health (DOH) to provide outpatient urgent and extended medical care in West Maui.

The Friends of Maui County Health and several concerned individuals testified in support of this bill. DOH supported this measure with reservations.

Your Committee has amended this bill by:

- (1) Changing its 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 record of votes of 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. 2153, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2153, H.D. 2.

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

**SCRep. 790-06 Finance on H.B. No. 2176**

The purpose of this bill is to ease Hawaii's affordable housing and homeless crisis by:

- (1) Expanding the use of the State Rent Supplement Program (Program) by authorizing the Hawaii Housing and Finance Development Administration (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;
- (2) Increasing the conveyance tax allocation to the Rental Housing Trust Fund (RHTF) from 30 to 65 percent;
- (3) Promoting the development of self-help housing by allowing HHFDA to lease parcels of land for \$1 per year for up to 50 years;
- (4) 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 lands to HHFDA no later than December 1, 2006;
- (5) Appropriating \$20,000,000 for grants-in-aid for homeless services and transitional housing programs;

- (6) Appropriating \$10,000,000 to repair and modernize vacant units in federal and state public housing projects; and
- (7) Appropriating \$400,000 for interim construction loans for up to ten homes to be developed as self-help ownership homes.

The Hawaii Habitat for Humanity Association, Hawaii Association for Realtors, and a concerned individual testified in support of this bill. The Housing and Community Development Corporation of Hawaii and Office of Hawaiian Affairs supported the intent of this measure. The Department of Taxation, Department of Community Services of the City and County of Honolulu, Tax Foundation of Hawaii, and Land Use Research Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2176, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2176, H.D. 2.

Signed by all members of the Committee except Representative Stevens.

**SCRep. 791-06 Finance on H.B. No. 2692**

The purpose of this bill is to ensure that parties involved in public work projects, not directly caused by a governmental contracting agency, comply with Hawaii's wage and hour laws by:

- (1) Making it the responsibility of the Department of Labor and Industrial Relations (DLIR) to ensure that parties involved in public work projects, not directly caused by a governmental contracting agency, comply with the state wage and hour law;
- (2) Requiring that any issuance of special purpose revenue bonds (SPRBs) be promptly reported to DLIR to allow DLIR to carry out its duties of ensuring that projects financed through SPRBs comply with the state wage and hour law; and
- (3) Clarifying that a violation of the public works law refers to each project in which DLIR finds a violation rather than to each investigation.

The Hawaii State AFL-CIO, International Brotherhood of Electrical Workers Local 1186, and Hawaii Building and Construction Trades Council AFL-CIO testified in support of this bill. The Department of Labor and Industrial Relations, Associated Builders and Contractors, Inc., Hawaii Chapter, and Willocks Construction Corporation opposed this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2692, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2692, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Nishimoto, Wakai, Yamane, Meyer, Moses, Pine and Stevens.

**SCRep. 792-06 Finance 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 Housing and Community Development Corporation supported the intent of this bill and suggested that due to the ceded lands lawsuit, ceded lands be excluded from the land leases allowed under this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2006; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2964, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2964, H.D. 1.

Signed by all members of the Committee except Representative Stevens.

**SCRep. 793-06 Finance on H.B. No. 3116**

The purpose of this bill is to ensure health care for all of Hawaii's children by:

- (1) Establishing a temporary, three-year pilot program to be known as the Hawaii Children's Health Care Program (Program);
- (2) Providing that the Program provide health care coverage for uninsured children through a public-private partnership between the Department of Human Services (DHS) and a mutual benefit society operating in Hawaii that offers accident and health or sickness insurance plans;
- (3) Requiring that DHS and the selected mutual benefit society share equally in the cost of the premium for each child enrolled in the Program;
- (4) Allowing other private organizations to partner with the State to offer coverage to Hawaii's uninsured children under the Program so far as the plan benefits provided are equal to or better than those offered by the Program; and
- (5) Providing funds for the establishment of the Program.

The Good Beginnings Alliance, Hawaii Medical Services Association, and a concerned individual testified in support of this bill. DHS supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Changing its 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 record of votes of 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. 3116, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3116, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Magaoay, Nishimoto, Takamine, Tsuji, Meyer and Pine.

**SCRep. 794-06 Finance on H.B. No. 3139**

The purpose of this bill is to ensure and improve the educational and emotional development of Hawaii's children, while not infringing upon an individual's religious beliefs, by:

- (1) Requiring childhood screening for vision, hearing, and speech development from birth to eight years of age;
- (2) Requiring a child to obtain a certificate of screening prior to the child beginning preschool or kindergarten;
- (3) Establishing the Hawaii Childhood Screening Initiative Task Force (Task Force) which is comprised of representatives from state agencies, community groups, and family members of children eligible for screening;
- (4) Directing the Task Force to make recommendations, formalize referral protocols, address issues related to physician participation, and evaluate compliance and appropriateness of referrals;
- (5) Requiring the Task Force to submit to the Legislature an annual report on the status of the early childhood screening program; and
- (6) Allowing families with religious objections an exemption from childhood screening.

The Good Beginnings Alliance, Family Voices of Hawaii, and the Christian Science Committee on Publication testified in support of this bill. The Department of Health supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Changing the appropriation amount to \$1 to encourage further discussion;
- (2) Changing its effective date to July 1, 2020; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3139, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3139, H.D. 3.

Signed by all members of the Committee except Representatives Carroll, Magaoay, Nishimoto, Takamine, Tsuji, Meyer and Pine.

**SCRep. 795-06 Finance on H.B. No. 3158**

The purpose of this bill is to ensure that the University of Hawaii (UH) provides quality higher education programs in a setting conducive to learning by appropriating \$84,000,000 for utility, repair, and maintenance expenses of the UH and its community colleges.

UH and its College of Social Sciences supported this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2020, to encourage further discussion; and

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3158, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3158, H.D. 2.

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

**SCRep. 796-06 Finance on H.B. No. 2213**

The purpose of this bill is to improve student access to substance abuse services by providing funds to establish 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, The Drug Policy Action Group, 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 record of votes of 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. 2213, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 797-06 Finance on H.B. No. 2503**

The purpose of this bill is to enable the Hawaii Public Housing Administration or designated county agencies to act more efficiently in action taken on derelict vehicles by removing the condition that a vehicle be ten years old or older to be considered "derelict".

The Department of the Attorney General, City and County of Honolulu's Department of Customer Services, the Mayor of Maui County, and the Windward Ahupuaa Alliance 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. 2503, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Stevens.

**SCRep. 798-06 Finance 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 to be part of the Wilderness Area.

The Department of Land and Natural Resources, The Trust for Public Land, The Nature Conservancy of Hawaii, and Pa'a Pono Milolii Inc., testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2974 and recommends that it pass Third Reading.

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

**SCRep. 799-06 Finance on H.B. No. 3167**

The purpose of this bill is to support quality higher education by appropriating funds for the University of Hawaii – West Oahu, including for the design and construction of a new four-year college campus.

The University of Hawaii and Hawaii Building and Construction Trades Council, AFL-CIO, 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. 3167, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 800-06 Finance on H.B. No. 1852**

The purpose of this bill is to develop more affordable housing by appropriating funds to purchase and acquire, through eminent domain, land in Nanakuli for a public housing project.

The Housing and Community Development Corporation of Hawaii did not support this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1852 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Stevens.

**SCRep. 801-06 Finance on H.B. No. 2239**

The purpose of this bill is to help preserve affordable housing in Hawaii by:

- (1) Appropriating funds to acquire the Kukui Gardens property from Kukui Gardens Corporation;
- (2) Requiring 100 percent of the property to be retained in perpetuity as affordable housing for households with incomes at or below 120 percent of the median family income; and
- (3) Requiring the State to exercise its power of eminent domain if an agreement to acquire the property is not reached by June 30, 2007.

EAH, Faith Action for Community Equity, and a concerned individual testified in support of this bill. The Housing and Community Development Corporation of Hawaii and Hawaii Association of Realtors supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2239, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Stevens.

**SCRep. 802-06 Finance on H.B. No. 2346**

The purpose of this bill is to fund the increasing costs of electricity use by the Department of Education (DOE) through an emergency appropriation. The sum of \$5,169,458 that is appropriated in this bill is expected to meet DOE's projected unmet need for the current fiscal year.

DOE testified in support of this bill.

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

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

**SCRep. 803-06 Finance 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, Honolulu Seawater Air Conditioning, LLC, Sierra Club, Hawaii Chapter, Hawaiian Electric Company, Inc., Hawaii Energy Policy Forum, Rocky Mountain Institute, and PowerLight Corporation 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 Finance 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 Third Reading.

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

**SCRep. 804-06 Finance on H.B. No. 2763**

The purpose of this bill is control the spread of invasive species by appropriating funds to the counties of Hawaii, Maui, and Kauai, and the City and County of Honolulu for programs that control and eradicate coqui frogs.

The Department of Agriculture, University of Hawaii, The Nature Conservancy of Hawaii, Hawaii Association of Realtors, C&H Farms, Maui Outdoor Circle, and a concerned individual testified in support of this bill. The Department of Land and Natural Resources supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2763, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 805-06 Finance on H.B. No. 2842**

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to assist Kamehameha Schools with agriculture infrastructure improvements, including the construction, repair, and improvement of the Wahiawa reservoir system irrigation facilities.

Kamehameha Schools, the Hawaii Farm Bureau Federation, Hawaii Crop Improvement Association, Pineapple Growers Association of Hawaii, and Meadow Gold Dairies testified in support of this bill. The Agribusiness Development Corporation supported the intent 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2842, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 806-06 Finance on H.B. No. 2934**

The purpose of this bill is to assist homeless veterans by authorizing the issuance of general obligation bonds to renovate existing barracks and other structures at Kalaeloa to provide shelter to these veterans.

The Department of Defense, US VETS-Hawaii, and several concerned individuals testified in support of this bill. The Office of Hawaiian Affairs supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2934 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Stevens.

**SCRep. 807-06 Finance 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 testified in support of this bill. The Department of Accounting and General Services opposed this measure. The Board of Land and Natural Resources offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2986, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 808-06 Finance on H.B. No. 3029**

The purpose of this bill is to authorize the University of Hawaii (UH) Board of Regents to charge resident tuition fees for members of the Hawaii National Guard and their authorized dependents regardless of their actual state of residence.

The Department of Defense, the Hawaii National Guard Enlisted Association, and a member of the Hawaii National Guard Association testified in support of this bill. UH supported the intent of this measure. The Chamber of Commerce of Hawaii opposed this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3029, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 809-06 Finance on H.B. No. 3105**

The purpose of this bill is to facilitate the effective treatment of mental health services 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 are:

- (1) Approved by the Food and Drug Administration; and
- (2) Considered an appropriate treatment and are within the lawful scope of the physician's practice and professional judgment.

The Hawaii Disability Rights Center testified in support of this bill. DHS supported the intent of this measure. A concerned individual supported this bill with amendments.

As affirmed by the record of votes of 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. 3105, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll, Magaoay, Nishimoto, Takamine, Tsuji, Meyer and Pine.

**SCRep. 810-06 Finance on H.B. No. 2641**

The purpose of this bill is to ensure that fair labor practices are used in 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 or other agreement that certifies compliance with the State's public works prevailing wage law;



- (2) Requiring the owner to submit copies of the lease or other 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 works project" as any project, including development of any housing pursuant to section 46-15 or Chapter 201G, Hawaii Revised Statutes (HRS), and development, construction, renovation, and maintenance related to refurbishment of any real or personal property that has or will have received a government benefit.

The Hawaii Carpenters Union testified in support of this bill. DLIR, DAGS, the Housing and Community Development Corporation of Hawaii, Department of Community Services of the City and County of Honolulu, Concept Construction, Inc., and Honua Landscaping, Inc., opposed this measure. The Associated Builders and Contractors Hawaii Chapter offered comments.

Your Committee notes that a reference to section 201H, HRS, may also need to be included in the definition of "indirect public works project."

As affirmed by the record of votes of 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. 2641, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll, Nishimoto, Wakai, Yamane, Meyer, Moses, Pine and Stevens.

**SCRep. 811-06 Finance on H.B. No. 2691**

The purpose of this bill is to provide additional means of recourse against employers who fail to pay prevailing wages by allowing a joint labor-management committee established pursuant to the federal Labor Management Cooperation Act of 1978 (29 U.S.C. 175a) to institute actions for injunctive and other relief against such employers.

The Hawaii Carpenters Union testified in support of this bill. The Department of Labor and Industrial Relations, Associated Builders and Contractors, Inc., Hawaii Chapter, and Willocks Construction Corporation opposed the measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2691 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll, Nishimoto, Wakai, Yamane, Meyer, Moses, Pine and Stevens.

**SCRep. 812-06 Finance on H.B. No. 2400**

The purpose of this bill is to preserve conservation land rich in natural and cultural resources by making an emergency appropriation of \$1,600,000 to purchase Waimea Valley, Oahu.

The Department of Land and Natural Resources, Office of Hawaiian Affairs, Windward Ahupua'a Alliance, Save Waimea Valley Coalition, and several concerned individuals testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2400 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Yamane and Stevens.

**SCRep. 813-06 Labor & Public Employment on H.B. No. 173**

The purpose of this bill is to require persons who serve in the capacity of Adjutant General to possess certain experiential qualifications. Specifically, this bill requires that, in addition to current requirements, any person who is newly appointed to the position of adjutant general possesses at least five years of service as an active commissioned officer in the Hawaii Army or Air National Guard, or both.

Numerous individuals testified in support of this bill. The state Department of Defense, Deputy Adjutant General, Office of Veterans Services, Commander of the 29<sup>th</sup> Separate Infantry Brigade of the Hawaii Army National Guard, The Chamber of Commerce of Hawaii, Hawaii Laborers-Employers Cooperation and Education Trust, Representative of the 40<sup>th</sup> District, and several concerned individuals opposed this measure. A concerned individual submitted comments.

The National Guard, while a military organization, is unique in that it serves both a state and federal function. It is important that Hawaii's Adjutant General, who serves as the commander of all guard forces in Hawaii, have an understanding of and close working relationship with Hawaii's National Guard units, state and county departments, and civilian authorities and industry within the state.

Your Committee finds that 44 other states currently have requirements that stipulate that their adjutant general have prior service in their respective national guard. Your Committee also finds that both the active duty military and reserve military promote individuals from within their own ranks. Treating personnel serving in the Hawaii Army and Air National Guard equivalent to their active duty and reserve counterparts is the right thing to do.

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. 173, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 814-06      Judiciary on H.B. No. 1984**

The purpose of this bill is to balance the different interests relating to public access to criminal conviction data by:

- (1) Limiting the dissemination of conviction data on the Internet to felony convictions; and
- (2) Providing that conviction data for offenses of a misdemeanor or lower grade will remain accessible at the Hawaii Criminal Justice Data Center and the county police departments.

The American Civil Liberties Union of Hawaii testified in support of this bill. The Attorney General and the Office of the Public Defender opposed this measure.

Your Committee has amended this bill by deleting its contents and inserting provisions requiring a review committee of the Judicial Council to:

- (1) Investigate the current status of Internet access to state criminal conviction data;
- (2) Recommend action necessary to protect the privacy interest of offenders balanced against the public interest in access to criminal conviction data; and
- (3) Report its findings and recommendations to the Legislature prior to the Regular Session of 2007.

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. 1984, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1984, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 815-06      Judiciary on H.B. No. 2282**

The purpose of this bill is to promote public safety under Hawaii's law relating to the registration of sex offenders and other covered offenders and public access to registration information (sex offender registration law) by:

- (1) Amending the definition of "repeat covered offender" to expressly except conviction of multiple counts within a single charging document;
- (2) Adding conviction for a covered offense, unless incarcerated and released on probation, as events requiring a covered offender to register with the Attorney General;
- (3) Clarifying that the prosecuting agency that prosecuted the covered offender for the most recent covered offense within the state represent the State in any civil proceeding to terminate public access;
- (4) Requiring that a covered offender required to register under the sex offender registration law:
  - (A) Notify the Attorney General if the offender has been absent from the offender's registered residence for ten or more days and has failed to establish a new residence; and
  - (B) Report to a police station on the first and fifteenth day of every month until a new residence is established and registered, and disclose where the offender has slept in the two previous weeks;

and
- (5) Making the failure to meet the above reporting requirements the offense of failure to comply with covered offender registration requirements.

The Attorney General testified in support of this bill. The American Civil Liberties Union Hawai'i and a concerned individual opposed this measure. The Office of the Public Defender provided comments.

Your Committee has amended this bill by:

- (1) Removing requirements that a covered offender required to register under the sex offender registration law:
  - (A) Notify the Attorney General if the offender has been absent from the offender's registered residence for ten or more days and has failed to establish a new residence; and
  - (B) Report to a police station on the first and fifteenth day of every month until a new residence is established and registered, and disclose where the offender has slept in the two previous weeks;
- (2) Removing the failure to meet the above reporting requirements from the offense of failure to comply with covered offender registration requirements;
- (3) Changing the effective date to July 1, 2009, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2282, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2282, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 816-06      Judiciary on H.B. No. 3014**

The purpose of this bill is to regulate persons, other than law enforcement officers, who apprehend bail fugitives, including:

- (1) Establishing their qualifications;
- (2) Establishing requirements and prohibiting certain practices for fugitive apprehension;
- (3) Establishing a penalty for violations; and
- (4) Permitting surrender of a defendant by a bail bond agent only if the defendant has violated a condition of the bond.

Several concerned individuals testified in support of this bill. The Honolulu Police Department supported this measure with amendments. Numerous concerned individuals opposed this bill.

Your Committee has amended this bill by:

- (1) Deleting the definition of "bail bond agent";
- (2) Removing the requirement that a person authorized to apprehend or arrest a bail fugitive hold a certificate of completion of an examination or training program, and amending the definition of "bail agent" accordingly;
- (3) Replacing the term "person authorized to apprehend a bail fugitive" with "bail fugitive recovery person" and replacing instances of the term within the bill;
- (4) Adding a definition of "law enforcement officer";
- (5) Including a bail agent in the types of persons authorized to apprehend or arrest a bail fugitive;
- (6) Changing the requirements that a bail fugitive recovery person must comply with, as follows:
  - (A) Removing the requirement that the person pass a written examination administered by the State;
  - (B) Requiring that the person not have been convicted of a felony within the last ten years;
  - (C) Removing the requirement that the person not have been convicted of an aggravated misdemeanor;
  - (D) Removing the requirement that the person not have been convicted of any offense in which a dangerous weapon was used;
  - (E) Requiring the person to register with the Attorney General; and
  - (F) Requiring the person to, at all times while performing related duties, carry photographic identification cards attesting to registration;
- (7) Stipulating the following, relating to surrendering a bail fugitive to the custody of the chief of police, the chief's authorized subordinate, or public safety officer:
  - (A) The person authorized to apprehend a bail fugitive shall produce documentation of proof that the surrendered person is a bail fugitive;
  - (B) The chief of police and director of public safety shall designate the sites where surrender may occur; and
  - (C) The police may refuse to accept surrender if proper identification and documentation are not presented;
- (8) Removing the penalty for persons who conspire with another person to violate the new provisions;
- (9) Clarifying that sureties may discharge themselves by surrendering a defendant only after a breach of one or more conditions of bail, or if the defendant becomes incarcerated for offenses other than the subject of surety; and
- (10) 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. 3014, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3014, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 817-06      Judiciary on H.B. No. 3016**

The purpose of this bill is to help eliminate the State's backlog of thousands of unserved bench warrants by creating an amnesty program for nonfelony traffic offenses committed by a person who has been sentenced to prison for a felony.

The Office of the Public Defender testified in support of this bill. The Department of the Attorney General, Police Department of the City and County of Honolulu, and the Department of the Prosecuting Attorney of the City and County of Honolulu opposed this measure.

Your Committee has amended this bill by:

- (1) Clarifying that an incarcerated person is an individual who is "continuously incarcerated within the state in a state correctional facility between June 1, 2006, and June 1, 2007";
- (2) Exempting from this provision, violations relating to:
  - (A) Accidents involving:
    - (i) Bodily injury; and
    - (ii) Damage to vehicle or property;
  - (B) Racing; and
  - (C) Operation of a vehicle after the driver's license and privilege have been suspended or revoked for driving under the influence of an intoxicant; and
- (3) Requiring the Judiciary Council, through a review committee, to conduct a review of:
  - (A) The backlog of arrest warrants waiting to be served upon persons incarcerated in the state's correctional facilities; and
  - (B) The entire backlog of arrest warrants;
 and make recommendations to the Legislature regarding further necessary action.

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. 3016, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3016, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 818-06 Finance on H.B. No. 2412**

The purpose of this bill is to conform the Hawaii income tax law to the federal Internal Revenue Code.

The Department of Taxation testified in support of this bill. The Tax Foundation of Hawaii submitted comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2412, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Meyer.

**SCRep. 819-06 Finance on H.B. No. 1026**

The purpose of this bill is to adjust individual income tax rates.

Prior to the public hearing, your Committee circulated a proposed draft and received testimony on the proposed draft. Specifically, the proposed draft defines "fair market rental value" under the transient accommodations tax to be twice the amount of gross daily maintenance fees for timeshare units.

The ILWU Local 142 testified in support of this bill. The Department of Taxation, Candant Corporation, Pahio Resorts, Hawaii Hotel & Lodging Association, ARDA-Hawaii, Maui Sunset Timeshare Association, Interval International, All Islands Timeshare Resales, Marriott International, Inc., Hilton Grand Vacations Club, Starwood Vacation Ownership, and several concerned individuals testified in opposition to this measure. The Tax Foundation of Hawaii offered comments.

Your Committee wishes to use this measure as a vehicle to promote further discussion on the issue of timeshares and tax fairness, especially in light of the increasing prevalence of timeshares within the transient accommodations industry and Hawaii's economy.

After careful consideration, your Committee has amended this bill by substituting its contents with the proposed draft.

In addition, your Committee has amended the proposed draft by:

- (1) Changing the rate of taxation to an unspecified amount; and
- (2) Changing the effective date to July 1, 2020.

As affirmed by the record of votes of 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. 1026, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1026, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Magaoay, Wakai and Stevens.

(Representatives Meyer and Moses voted no.)

**SCRep. 820-06 Finance on H.B. No. 2312**

The purpose of this bill is to strengthen the Emergency and Budget Reserve Fund (Fund), also known as the Rainy Day Fund, by appropriating \$55,000,000 to the Fund.

The Department of Budget and Finance testified in support of this bill. The Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Changing the appropriation amount to \$1 to encourage further discussion;
- (2) Changing the effective date to July 1, 2020; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2312, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2312, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 821-06 Finance on H.B. No. 2836**

The purpose of this bill is to protect the privacy of individuals by requiring the Department of Accounting and General Services (DAGS) to develop a statewide information security protection program and policies that prevent unauthorized access to individual information.

DAGS commented on this bill.

In light of the risks regarding identity theft and the increase of information available through technology, your Committee finds the establishment of a statewide information security protection program a necessary step in the process of protecting individuals. To address this need for the cabinet departments, DAGS is currently in the process of establishing a cyber security office to address information security programs, policies, and procedures. The intent of this bill, however, is to establish a program that addresses information security needs for all state agencies and this requires further planning and additional input from all stakeholders.

Accordingly, your Committee has amended this bill by replacing its contents with provisions that:

- (1) Establish a Governmental Information Security Task Force (Task Force) within DAGS to formulate an information security plan for all departments and agencies of the executive branch; and
- (2) Make an unspecified appropriation to DAGS to contract the services of a consultant to support the efforts of the Task Force.

As affirmed by the record of votes of 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. 2836, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2836, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Kawakami.

**SCRep. 822-06 Finance on H.B. No. 1466**

The purpose of this bill is to make a technical amendment to the law relating to the deposit of state funds into the state treasury.

This bill has been amended by replacing its original contents with new provisions, the purpose of which is to fund existing or emerging community coalitions in all 42 school complexes used as geographical identifiers of areas to receive funding statewide to:

- (1) Coordinate local anti-drug community efforts;
- (2) Fill service gaps; and
- (3) Implement best practice prevention programs.

A proposed draft of this bill showing its amended form was circulated prior to its hearing. The Hawaii Substance Abuse Coalition, Marimed Foundation, Coalition for a Drug-Free Hawaii, Malama O Kamalii Makamae, Community Works in 96744, Windward Neighborhood Security Watch Coordinators Group, Community Alliance on Prisons, and KEY Project testified in support of this bill. The Department of Health and several concerned area superintendents of the Department of Education supported the intent of this measure. A concerned individual supported this bill with amendments.

As amended by your Committee this bill would, among other things, support:

- (1) Youth substance abuse prevention and intervention programs;
- (2) Neighborhood safety and family support and education programs;
- (3) Continuing care for persons in recovery from substance abuse; and

- (4) Operational expenses for the above-mentioned initiatives.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1466, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1466, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 823-06 Finance on H.B. No. 1795**

The purpose of this bill is to amend the composition of the Board of Directors of the Hawaii Health Systems Corporation (HHSC) by requiring the Governor to appoint:

- (1) Three members from a list of three individuals submitted for each appointment by the President of the Senate; and
- (2) Three members from a list of three individuals submitted for each appointment by the Speaker of the House of Representatives.

If fewer than three names of individuals are submitted for an appointment, the Governor may disregard the list.

The Department of the Attorney General, Board of Directors of HHSC, HHSC Regional Management Advisory Committee Chairs, and HHSC Physicians Advisory Group Chair opposed this bill.

Your Committee has amended this bill by:

- (1) Expanding the HHSC Board of Directors from 13 to 17 members;
- (2) Requiring that of the four new members appointed by the Governor, two members be nominated by the President of the Senate and two members be nominated by the Speaker of the House;
- (3) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1795, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1795, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 824-06 Finance on H.B. No. 1800**

The purpose of this bill is to address the issue of speculative real estate sales in Hawaii by increasing the tax on the sale of real property in Hawaii by a non-resident seller.

A concerned individual testified in support of this bill. The Hawaii Association of Realtors, Pahio Resorts, Inc., Fairfield Resorts, Inc., and Cendant Timeshare Resort Group opposed this measure. The Department of Taxation, ARDA-Hawaii, and The Tax Foundation of Hawaii submitted comments.

Your Committee has amended this bill by:

- (1) Changing the percentage of the tax increase on the amount realized on the disposition of real property by a non-resident seller from twenty percent to eight and one-quarter percent;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1800, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1800, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 825-06 Finance on H.B. No. 2274**

The purpose of this bill is to authorize the Comptroller to exercise discretion to deposit money received from the settlement of claims or losses of the State into an affected agency's trust account instead of the State Risk Management Revolving Fund.

The Department of Accounting and General Services, Department of Education, and University of Hawaii testified in support of this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2274, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2274, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 826-06 Finance on H.B. No. 2419**

The purpose of this bill is to establish the Integrated Tax Information Management Systems Special Fund to:

- (1) Receive revenues from the integrated tax information management systems (ITIMS) post-implementation revenue-generating initiatives; and
- (2) Be expended to pay for ITIMS performance-based contracts and administrative and operating expenses.

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

Your Committee has amended this bill by:

- (1) 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 record of votes of 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. 2419, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2419, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 827-06 Finance on H.B. No. 2835**

The purpose of this bill is to assist low-income families and individuals by raising the low-income refundable tax credit.

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

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2835, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2835, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 828-06 Consumer Protection & Commerce on H.B. No. 2972**

The purpose of this bill is to improve consumer and electrician safety by requiring all applicants for the various electrician license examinations to successfully complete an academic or apprenticeship program covering the principles of electrical theory and the requirements of the National Electric Code (NEC).

The Electrical Contractor's Association of Hawaii and several concerned individuals testified in support of this bill. The Board of Electricians and Plumbers, Plumbers and Fitters Local 675, Plumbing and Mechanical Contractors Association of Hawaii, Alaka'i Mechanical Corporation, Hawaii Solar Energy Association, Associated Builders and Contractors, Inc., Hawaii Chapter, Continental Mechanical of the Pacific, Island Controls, Inc., Kailua Electric Service, Nova Group, Inc., Oahu Sales, Inc., Siu's Electric Corp., and a number of concerned individuals opposed this bill.

Your Committee finds that the educational requirements added by this bill would be in addition to the experience requirements currently in the law. The bill addresses the concern that on-the-job experience may not adequately transfer the general knowledge of electric theory and the requirements under the electric code that are needed to ensure consumer and electrician safety.

Many concerns were voiced by plumbers and other industries other than the electrician industry that this bill would prevent them from continuing to perform low voltage wiring work in connection with services such as elevator or air conditioning work. Your Committee finds that nothing in this licensing bill would prevent these industries from continuing their current practices.

However, concerns still remain that this measure would adversely affect a small group of individuals in "mom and pop" businesses that employ electricians, by making it difficult for their current apprentices to obtain electrician's licenses.

To encourage further discussion, your Committee has amended the bill by:

- (1) Requiring that applicants for the journey worker electrician and journey worker specialty electrician examinations either complete a program on electrical theory and the NEC, or possess a specified amount of experience in the trade, and not both;
- (2) Changing the effective date to July 1, 2050; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2972, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2972, H.D. 2, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Morita, Sonson, Marumoto and Stonebraker.

#### SCRep. 829-06 Consumer Protection & Commerce on H.B. No. 3036

The purpose of this bill is to provide for prompt payment of a subcontractor or materialman once they complete their work under their contract, by establishing a certificate of completion procedure. The procedure applies to private contracts and contracts of state and county government agencies and:

- (1) Allows a subcontractor or materialman who has completed their contractual obligations to apply for a certificate of completion from the "payment certifier" (PC), the person designated under the general contract as responsible for issuing the payment certificate;
- (2) Requires the PC within 30 days to issue a certificate upon determining that the subcontract or materials contract (contract) has been completed;
- (3) Requires the certificate to state that the contract has been completed, the contract dollar amount, and the amount that remains to be paid, or "certified amount";
- (4) Requires the PC to deliver copies of the certificate, within seven days of issuance, to the owner and general contractor, or for public contracts, the paying agency, general contractor, and surety, if any;
- (5) Mandates that payment in full be made within 30 days of delivery of the certificate, and that no retainage may be withheld;
- (6) Authorizes the subcontractor or materialman, if the PC refuses to issue the certificate, to apply to the Circuit Court for an order finding the contract has been completed;
- (7) Allows the owner, general contractor, or paying agency upon issuance of a certificate, to apply for a court order that the contract has not been completed;
- (8) Provides that a court order finding completion functions as the issuance of a certificate of completion; and
- (9) Provides that in private contracts, the certificate operates as a lien, enforceable upon failure to make payment, and in public contracts, allows an action to collect the unpaid amount against the general contractor and on the payment bond, if any.

The Ironworkers Local Union 625, Steel Fabricators and Erectors of Hawaii, South Pacific Steel Corp, V & C Drywall Contractors, Inc., S and M Welding Co., Ltd., Mutual Welding Company, Ltd., and Electrical Contractor Association of Hawaii supported this bill. The Subcontractors Association of Hawaii and an individual supported the intent of this bill.

The Department of Accounting and General Services, General Contractors Association of Hawaii, Associated Builders and Contractors, CC Engineering & Construction, Inc., Hidano Construction, Inc., Aylward Enterprises, Incorporated, Building Industry Association of Hawaii, Access Lifts of Hawaii, Walter Y. Arakaki General Contractor, Inc., HIS Mechanical, Inc., Hawaii Surety Association, Ralph S. Inouye Co., Ltd., Koga Engineering & Construction, Inc., Kokea Construction and Consultants, Inc., Hawaii Laborers-Employers Cooperation Education Trust, Miller/Watts Constructors, Inc., Mouse Builders, Inc., Nordic Construction, Ltd., Pacific Resource Partnership, S & M Sakamoto, Inc., T. Iida Contracting, Ltd., Thurston-Pacific, Inc., Universal Construction, Inc., Willocks Construction Corporation, BCP Construction of Hawaii, Inc., King & Neel, Inc., and several concerned individuals opposed this bill.

Your Committee recognizes that a significant delay in payments will hurt any business. Both those in favor and opposed to this bill admitted that there are problems in the industry with the unfair withholding of retainage, and with the failure to bring projects to timely final completion so that full payment may be made. However, your Committee also acknowledges that retention is the primary protection for general contractors and owners in situations where work or material is discovered to be defective, or where subcontractors have failed in their own payment obligations.

Your Committee wishes to bring some relief for subcontractors and materialmen while being fair to all parties, and has amended this bill to allow continued discussion of the issues by:

- (1) Removing the requirement that payment be made within 30 days, and instead requiring that payment be made within the time stipulated in the materials contract or subcontract;
- (2) Providing that if allowed under the terms of a private contract, a retainage may be withheld from the payment; and



- (3) 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3036, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3036, H.D. 1.

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

**SCRep. 830-06      Judiciary 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 driver licensing law, unless ordered by a court.

The Department of Customer Services of the City and County of Honolulu, Office of the Public Defender, and Mothers Against Drunk Driving 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. 2509 and recommends that it pass Third Reading.

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

**SCRep. 831-06      Judiciary on H.B. No. 3018**

The purpose of this bill is to preserve trust and integrity in 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, any 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 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, until the judgment is fully paid.

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 Office of the Public Defender opposed this bill. The Employees' Retirement System submitted comments.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3018, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 832-06      Judiciary on H.B. No. 105**

The purpose of this bill is to make rental units drug-free, by:

- (1) Prohibiting tenants and their guests from possessing drugs in or near the tenant's unit; and
- (2) Authorizing landlords to bring a summary proceeding for possession of the unit upon violation of the prohibition.

The Hawaii Association of Realtors 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.

Your Committee has concerns that this measure as drafted may confuse landlords who attempt to apply the law in relying on a "written notice or report" regarding "possession" of a dangerous, harmful, or detrimental drug on the landlord's property. Presently, section 521-3(B), Hawaii Revised Statutes (HRS), provides: "Every legal right, remedy, and obligation arising out of a rental agreement not provided for in this chapter shall be regulated and determined under chapter 666, and in the case of conflict between any provision of this chapter and a provision of chapter 666, this chapter shall control." Within chapter 666, section 666-3, HRS, contains provisions for landlords to terminate leases in cases of violations of laws prohibiting drug offenses more serious than possession. These provisions need to be harmonized.

Your Committee supports the concept of assisting landlords in ridding properties of drug dealers, but without prior concurrence, your Committee is unable to amend this bill to address the concerns. Accordingly, your Committee has amended this bill by changing the effective date to January 1, 2096, to promote further discussion. Technical, nonsubstantive amendments were also made 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. 105, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 105, H.D. 1.

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

**SCRep. 833-06      Judiciary 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.

The Policy Advisory Board for Elder Affairs, Hawaii Alliance for Retired Americans, and ILWU Local 142 supported this bill. The Department of Public Safety supported the intent of this measure. IMS Health and Pharmaceutical Research and Manufacturers of America opposed this bill. The Board of Pharmacy and Hawaii Medical Service Association offered comments.

Your Committee has amended this bill by:

- (1) Specifying that the provisions apply to individually identifiable patient health information maintained in electronic form or in any other form or medium;
- (2) Clarifying that the patient health information shall not be sold or otherwise transferred for consideration by any pharmacy benefits manager, insurance company, or retail, mail order, or Internet pharmacy; 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. 1873, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1873, H.D. 2.

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

**SCRep. 834-06      Judiciary on H.B. No. 1968**

The purpose of this bill is to provide equity between in-state and out-of-state wine manufactures by establishing a permit system for the direct shipment of wine to Hawaii's residents.

The Department of the Attorney General and Wine Institute testified in support of this bill. The Hawaii Liquor Wholesalers Association, Better Brands, Times Supermarkets, The Hawaii Food Industry Association, and Legislative Information Services of Hawaii opposed this measure.

Your Committee has amended this bill by:

- (1) Changing to an unspecified amount, the number of nine-liter cases of wine a holder of a direct wine shipper permit may sell and annually ship to any person 21 years of age or older for personal use;
- (2) Changing its 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. 1968, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1968, H.D. 1.

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

**SCRep. 835-06      Judiciary 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, to be subject to criminal history record checks;
- (2) Requiring OYS to develop a system for obtaining verifiable information for the criminal history records;
- (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; and
- (4) Exempting OYS from section 831-3.1, Hawaii Revised Statutes (HRS), which controls the government's use of prior convictions to make employment decisions, and from the administrative procedures of Chapter 91, HRS, when conducting its investigation, notifications, or hearings on criminal history record checks.

The Department of Human Resources Development, OYS, and Hawaii Youth Services Network testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2006, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for 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. 2367, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2367, H.D. 1.

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

**SCRep. 836-06      Judiciary on H.B. No. 2710**

The purpose of this bill is to prohibit as disorderly conduct the operation of motorized equipment with noise levels exceeding one hundred twenty decibels ("a" scale) between the hours of 7:00 p.m. and 7:00 a.m., any day of the week.

The Department of Transportation supported the intent of this bill. The Office of the Public Defender and the General Contractors Association of Hawaii opposed this measure. The Department of Agriculture provided comments.

Your Committee has amended this bill by:

- (1) Removing the reference to construction equipment from the illustrative list of types of motorized equipment subject to this restriction;
- (2) Changing the effective date to July 1, 2006, 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. 2710, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2710, H.D. 2.

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

**SCRep. 837-06      Judiciary 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 who completed a medical review with the State, and as a condition to licensure, must pass a road test but has failed the road test on the applicant's first attempt.

The Department of Transportation and Department of Customer Services of the City and County of Honolulu testified in support of this bill. The Disability and Communication Access Board (DCAB) supported the intent of this measure.

Your Committee noted testimony regarding the official term for "medical evaluation" as "medical report," and other grammatical changes suggested by DCAB, and finds that further careful review of these concerns is warranted.

Accordingly, your Committee has amended this bill by changing the effective date to January 1, 2006, to encourage further discussion. Technical non-substantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2747, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2747, H.D. 2.

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

**SCRep. 838-06      Judiciary on H.B. No. 3037**

The purpose of this bill is to improve the Graduated Driver 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 Mothers Against Drunk Driving-Hawaiian Affairs All testified in support of this bill.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2006, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3037, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3037, H.D. 1.

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

**SCRep. 839-06      Judiciary on H.B. No. 2368**

The purpose of this bill is to find ways to improve the public housing eviction process by:

- (1) Making permanent the expedited eviction process established in Act 227, Session Laws of Hawaii 2002 (SLH 2002); and
- (2) Maintaining the eviction process that was in place prior to the enactment of Act 227, SLH 2002, for households with tenants who are disabled, over the age of 65, or have minor dependent children.

The Housing and Community Development Corporation of Hawaii and several concerned individuals submitted comments on this bill.

Your Committee has serious concerns and grave reservations concerning this measure but is moving the bill along in the legislative process for continued discussion.

Accordingly, 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, 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. 2368, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2368, H.D. 2.

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

**SCRep. 840-06      Judiciary 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 go through the subdivision process 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. Kamehameha Schools supported the bill and suggested amendments for clarification. The Sierra Club, Hawaii Chapter, opposed the bill. The Department of Agriculture, Department of Business, Economic Development, and Tourism, Office of Planning, and Land Use Research Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Clarifying that subdivided leasehold agricultural lots under section 205-4.5(e), Hawaii Revised Statutes, are interests in land that can be used as legal lots of record for mortgage lending purposes, but are exempt from county subdivision ordinances;
- (2) Clarifying the limitation on residential structures;
- (3) Exempting the subdivision of land for agricultural uses within the state land use agricultural district from the Uniform Land Sales Practice Act;
- (4) Changing the effective date to July 1, 2006, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2146, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2146, H.D. 1.

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

**SCRep. 841-06      Judiciary 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 their 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 and American Civil Liberties Union of Hawaii testified in support of this bill. The Department of Education supported the intent of this measure. The Department of the Attorney General offered comments.

Your Committee has amended this bill by:

- (1) Requiring applicants to establish residency in the state within 30 days after employment as a condition for continued employment, instead of at the time of employment, to provide the applicant with time to establish residency;
- (2) Amending the definition of "resident" as an applicant who shows intent of making Hawaii the applicant's *primary* residence instead of a *permanent* residence, and repealing the factors used in determining permanent residential intent; 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. 2372, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2372, H.D. 2.

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

**SCRep. 842-06      Judiciary 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, based on the value of the property damage inflicted. Under this bill, a person who intentionally or knowingly damages the agricultural or aquacultural property of another, without the other's consent, 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, Department of the Prosecuting Attorney of the City and County of Honolulu, Alexander & Baldwin, Inc., Hawaiian Commercial & Sugar Company, Hawaii Agriculture Research Center, Hawaii Aquaculture Association, Hawaii Crop Improvement Association, Hawaii Farm Bureau Federation, Maui County Farm Bureau, Maui Land & Pineapple Company, Inc., Meadow Gold Dairies, Pineapple Growers Association of Hawaii, and Quality Turfgrass testified in support of this bill. The Office of the Public Defender opposed this measure.

Your Committee has amended this bill by:

- (1) Deleting the findings and purpose section;
- (2) Changing the type of property damaged, from agricultural or aquacultural equipment, supplies, and products to crops, including trees, bushes, or any other plant, and livestock;
- (3) In regard to determining the degree of the offense:
  - (A) Basing the determination on the amount of the damage caused rather than the value of the damaged item; and
  - (B) Removing the value of future crops from the calculation of the amount of damage;
- (4) Changing the effective date to July 1, 2009, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2772, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2772, H.D. 1.

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

**SCRep. 843-06      Judiciary on H.B. No. 3017**

The purpose of this bill is to make it unlawful for a minor to use tobacco products. This bill also:

- (1) Provides for:
  - (A) A tobacco use education program for the first offense and referral to a tobacco cessation counselor for a third and subsequent offenses;
  - (B) Community service of 14 to 32 hours; and
  - (C) A fine of \$50 to \$100 for a first or second offense;
- (2) Provides for denial of an application for a provisional driver's license or suspension of a driver's license for a year for a second offense and mandatory revocation of a driver's license for one to two years for a third and subsequent offenses;
- (3) Requires payment of a \$25 surcharge to the Trauma Care Fund for each offense;
- (4) Requires the issuance of a citation for violations and provides for the use and processing of these citations in the same manner as a traffic infraction; and
- (5) Gives the District Court and Family Court concurrent jurisdiction over the offense and the offender.

The Honolulu Police Department, Hawaii Food Industry Association, and numerous concerned students from Moanalua High School testified in support of 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 opposed this bill.

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 consistency, 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. 3017, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3017, H.D. 2.

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

**SCRep. 844-06      Judiciary on H.B. No. 2199**

The purpose of this bill is to prohibit binding the State to government procurement rules contained in certain international trade agreements without legislative action.

The Hawaii State AFL-CIO, Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, and Public Citizen's Global Trade Watch testified in support of this bill.

Your Committee has amended this bill by:

- (1) Limiting the international trade agreements to which this law would apply to those agreements relating to procurement that allow the State to consent;
- (2) Making the application of this law retroactive;
- (3) Limiting the definition of "international trade agreement" to also exclude any memoranda of agreement between any of the counties and any foreign country or any foreign country's sub-national entity to which the United States is not a party;
- (4) Changing the effective date to January 1, 2006, to encourage further discussion;
- (5) Adding a findings and purpose section; and
- (6) Making technical, nonsubstantive amendments for style, clarity, and consistency.

Your Committee notes that it intends to determine what trade agreements would be affected by making this bill retroactive in application, in consultation with the Attorney General. However, in the mean time, your Committee wishes to move this bill along for 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. 2199, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2199, H.D. 2.

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

**SCRep. 845-06      Finance on H.B. No. 366**

The purpose of this bill is to facilitate the training of professionals in the field of child development and family resources by appropriating funds for the Family Resources degree program of the Department of Family and Consumer Sciences in the University of Hawaii, College of Tropical Agriculture and Human Resources (CTAHR).

CTAHR 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. 366 and recommends that it pass Third Reading.

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

**SCRep. 846-06      Finance on H.B. No. 1817**

The purpose of this bill is to improve the State's consistency with and adherence to federal laws regarding fireworks by:

- (1) Using common terminology that is consistent with the federal Bureau of Alcohol, Tobacco, Firearms, and Explosives;
- (2) Deleting all references to the defunct "United States Bureau of Explosives";
- (3) Including and defining "articles pyrotechnic" to regulate the importation, storage, transferring, sale, and use of those devices; and
- (4) Including articles pyrotechnic in the term "display".

The Honolulu Police Department supported this bill. The Honolulu Fire Department, State Fire Council, and County of Kauai Fire Department supported the intent of this measure. The Legislative Information Services of Hawaii supported this bill with amendments.

Your Committee notes that the State Fire Council suggested that Section 132D-7, Hawaii Revised Statutes, be amended to include display fireworks and articles pyrotechnic in the list of items prohibited without a valid county-issued license.

As affirmed by the record of votes of 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. 1817, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 847-06 Finance on H.B. No. 1833**

The purpose of this bill is to allow counties more flexibility in processing fireworks permits by authorizing the counties to appoint designees to issue fireworks permits, provided that the authorized designees do not issue fireworks permits and sell fireworks from the same location.

The Honolulu Police Department, THY & Associates, Inc., Pinky's 5 Eight, T. Kaneshiro Store, Inc., Pahoia Cash & Carry, and Puna Fresh Food testified in support of this bill. The County of Hawaii Fire Department (HCFD) supported this measure with amendments.

Concerns were raised by HCFD that restricting the sale of permits to vendors who do not sell fireworks will limit the public's ease and access to obtaining fireworks permits, especially on the Neighbor Islands.

Your Committee understands that a one-stop-shop concept may be a more convenient means of obtaining a fireworks permit, especially for rural communities that may only have one fireworks retailer and no other retailer willing to participate in fireworks permit sales, and finds that this concept deserves further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1833, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 848-06 Finance on H.B. No. 2177**

The purpose of this bill is to support and expand agricultural business in Hawaii by proposing a constitutional amendment to authorize the State to issue special purpose revenue bonds to assist agricultural businesses operating on important agricultural land.

The Department of Agriculture, University of Hawaii's College of Tropical Agriculture and Human Resources, Hawaii Farm Bureau Federation, Land Use Research Foundation of Hawaii, Pineapple Growers Association of Hawaii, Hawaii Crop Improvement Association, and Meadow Gold Dairies supported this bill. The Hawaii Agriculture Research Center supported the intent of this measure. The Department of Budget and Finance submitted comments.

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

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

**SCRep. 849-06 Finance 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 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 Finance 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 Third Reading.

Signed by all members of the Committee except Representative Stevens.

**SCRep. 850-06 Finance on H.B. No. 2670**

The purpose of this bill is to improve health care in Hawaii by establishing the Hawaii Health Authority (Authority). Specifically, this bill:

- (1) Specifies that the Authority is to be responsible for overall health planning for the State and determining future capacity needs of health providers, facilities, equipment, and support services providers; and
- (2) Requires the Authority to develop and submit to the Legislature a comprehensive health plan that includes coverage for all individuals in the state.

The National Association of Social Workers, Hawaii Chapter, The League of Women Voters Hawaii, Hawaii Chapter of Physicians for a National Health Plan, Americans for Democratic Action, Hawaii Chapter, Christian Science Committee on Publication, and numerous concerned individuals supported this bill. ILWU Local 142 supported the intent of this bill. The Department of Commerce and Consumer Affairs, Department of Budget and Finance, Healthcare Association of Hawaii, and Kaiser Permanente opposed this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2670, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 851-06 Finance on H.B. No. 2823**

The purpose of this bill is to develop awareness of and appreciation for freedom in our country by:

- (1) Designating December 15<sup>th</sup> as "Bill of Rights Day;" and
- (2) Appropriating funds for activities commemorating the establishment and observation of Bill of Rights Day.

The Hawaii Civil Rights Commission, American Civil Liberties Union of Hawaii, and a concerned individual testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2823, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 852-06 Finance on H.B. No. 2928**

The purpose of this bill is to honor native Hawaiian culture by allowing the use of practices, techniques, styles, customs, and materials of indigenous Hawaiian architecture in present-day construction in certain zoning districts in the state.

Several concerned individuals testified in support of this bill. A member of the Maui County Council offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2928, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 853-06 Finance on H.B. No. 2961**

The purpose of this bill is to enhance the health and welfare of Hawaii's public 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 and the Department of Education 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. 2961, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 854-06 Finance on H.B. No. 3126**

The purpose of this bill is to ensure that a person's right to choose not to receive resuscitative treatment is adhered to by:

- (1) Amending the Rapid Identification Documents law by deleting the requirement that the notification be in the form of a bracelet;
- (2) Adopting the use of a certified, written document that informs medical staff of a person's wishes; and
- (3) Allowing a lawfully appointed guardian, agent, or surrogate to act on a patient's behalf when directing medical staff to provide comfort care only.

The Department of Health, Healthcare Association of Hawaii, Hawaii Medical Association, Hawaiian Islands Hospice Organization, Hospice Hawaii, North Hawaii Community Hospital, Inc., Kokua Mau, Policy Advisory Board for Elder Affairs, Kapiolani Medical Center for Women and Children, and several concerned individuals 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. 3126 and recommends that it pass Third Reading.

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

**SCRep. 855-06 Finance on H.B. No. 1904**

The purpose of this bill is to increase student safety 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, DOE, and concerned individuals from Mililani Waena Elementary School 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. 1904 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 856-06 Finance on H.B. No. 1918**

The purpose of this bill is to establish a Commission on Salaries within the Department of Human Resources Development, upon ratification of a constitutional amendment, 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 Administrative Director of the State, or an equivalent position; and
- (4) Department heads and executive officers, and their deputies or assistants, excluding the University of Hawaii and the Department of Education.

In addition, this bill repeals the Executive Salary Commission and the Judicial Salary Commission.

The Judiciary provided comments on this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1918, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 857-06 Finance 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 the State's concession contracts.

The Department of Transportation and Legislative Committee for the Airports Concessionaires Committee 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. 2215 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 858-06 Finance on H.B. No. 2271**

The purpose of this bill is to clarify the authority of the Department of Agriculture (DOA) regarding agricultural public lands (that are not agricultural park lands) that were transferred to DOA by the Department of Land and Natural Resources 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. Further, this bill:

- (1) Requires the Board of Agriculture 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 non-agricultural park lands under the jurisdiction of DOA.

The Department of Agriculture (DOA) and the Hawaii Farm Bureau testified in support of this measure.

While your Committee wishes to show its support of DOA with the passage of this Administration measure, your Committee would also like to note that transfer of agricultural leases, mandated by Act 90, Session Laws of Hawaii 2003, has been a slow and tedious process. Your Committee also understands that much work needs to be done to carry out the process of transferring agricultural leases from the Department of Land and Natural Resources to DOA, but urges DOA to move expeditiously so it may effectively manage those leases as provided for in this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2271, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Stevens.

**SCRep. 859-06 Finance on H.B. No. 3217**

The purpose of this bill is to recognize the significant role of kupuna in Hawaii's culture, history, and traditions by:

- (1) Establishing the fourth Saturday of July as "Kupuna Recognition Day"; and
- (2) Appropriating funds to commemorate the establishment and observation of Kupuna Recognition Day.

The Policy Advisory Board for Elder Affairs and numerous concerned individuals testified in support of this bill. The Office of Hawaiian Affairs supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3217, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 860-06 Finance on H.B. No. 1867**

The purpose of this bill is to protect the health and well-being of Hawaii's 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.

ILWU Local 142, Hawaii State Teachers Association, Hawaii State AFL-CIO, Klein Chiropractic Center, Hawaii Chapter-American Physical Therapy Association, and several concerned individuals testified in support of this bill. The Hawaii State Chiropractic Association and Hawaii Medical Services Association supported the intent of this measure. The Hawaii Government Employees Association supported this bill with amendments. The Department of Labor and Industrial Relations (DLIR), Department of Human Resources Development, Department of Civil Service of the County of Hawaii, The Chamber of Commerce of Hawaii, Hawaii Insurers Council, Hawaii Independent Insurance Agents Association, and the Society for Human Resource Management-Hawaii Chapter testified in opposition to this bill. The Hawaii Employers' Mutual Insurance Company submitted comments.

Your Committee notes the concerns raised by DLIR and understands that some of the language in this measure may be ambiguous and may need to be clarified, particularly with regard to the responsibility for approving the treatment plan, and the responsibility for the costs of treatment later disallowed by the Director. Your Committee finds that the healthcare issues this measure attempts to address deserve further consideration.

As affirmed by the record of votes of 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. 1867, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 861-06 Finance on H.B. No. 1021**

The purpose of this bill is to make improvements to the Public Utilities Commission (PUC) by:

- (1) Increasing 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;
- (2) Authorizing the chairperson of the PUC to appoint utility analysts and legal assistants exempt from the civil service law;
- (3) Authorizing the PUC to suspend collection of public utility fees from public utilities that do not pay the flat rate of \$30 instead of refunding the excess, upon collection of \$3,000,000 in the PUC Special Fund; and
- (4) Appropriating funds for the PUC to reorganize.

The PUC, Hawaiian Electric Company, Inc., Maui Electric Company, Ltd., Hawaii Electric Light Company, Inc., Life of the Land, Rocky Mountain Institute, Hawaii Energy Policy Forum, PowerLight Corporation, and Hawaii Renewable Energy Alliance testified in support of this bill. The Consumer Advocate offered comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1021, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1021, H.D. 2.

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

**SCRep. 862-06 Finance on H.B. No. 1706**

The purpose of this bill is to establish the Uniform Environmental Covenants Act (Uniform 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) testified in support of this bill.

Your Committee has amended this bill by:

- (1) Deleting the provision that established employee positions within DOH to implement the Uniform Act; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1706, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1706, H.D. 3.

Signed by all members of the Committee.

**SCRep. 863-06 Finance on H.B. No. 2040**

The purpose of this bill is to honor and recognize Senator Hiram L. Fong by providing scholarships to students enrolled in the University of Hawaii (UH) system. Specifically, this measure:

- (1) Establishes the Senator Hiram L. Fong Scholarship Program (Program); and
- (2) Appropriates funds for the Program.

The Governor's Policy Office and concerned individuals submitted testimony in support of this bill. UH and the Department of Education supported the intent of this measure.

Your Committee notes that the intent of this measure is to establish an endowment administered by the University of Hawaii Foundation.

Your Committee has amended this measure 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 record of votes of 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. 2040, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2040, H.D. 2.

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

**SCRep. 864-06 Finance on H.B. No. 2045**

The purpose of this bill is to establish a pilot clinic to address Hawaii's current lack of facilities equipped 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, Hawaii Medical Association, Kapiolani Medical Center for Women and Children, Hawaii State Commission on the Status of Women, Healthy Mothers, Healthy Babies Coalition of Hawaii, Hawaii Substance Abuse Coalition, Community Alliance on Prisons, Drug Policy Forum of Hawaii, Hawaii Chapter of the American Academy of Pediatrics, Mililani Town Anti-Drug Committee, Mothers Care For Tomorrow's Children, American College of Obstetricians and Gynecologists District VIII, Hawaii Section, and several concerned individuals supported this bill.

Your Committee has amended this bill by:

- (1) Deleting the appropriation for fiscal year 2007-2008; and
- (2) Changing the effective date to July 1, 2020, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2045, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2045, H.D. 2.

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

**SCRep. 865-06 Finance 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) Requiring HCDCH to report annually to the Legislature detailing the activities and outcomes with regard to providing temporary emergency shelter to the homeless.

This bill also appropriates funds to the counties for these purposes.

Hawaii Habitat for Humanity Association, Honolulu Community Action Program Leeward District Council, Office of Hawaiian Affairs, and several concerned individuals testified in support of this bill. HCDCH supported the intent of this measure. The Disability and Communication Access Board offered comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2066, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2066, H.D. 2.

Signed by all members of the Committee except Representative Stevens.

**SCRep. 866-06 Finance on H.B. No. 2263**

The purpose of this bill is to prevent the importation of invasive species into the state by:

- (1) Requiring the Department of Agriculture (DOA) to establish a schedule of service fees and charges to be paid by importers for invasive species inspection, quarantine, and eradication services; and
- (2) Establishing the Invasive Species Inspection, Quarantine, and Eradication Fund (Fund) to be used for the operation of inspection and monitoring programs at ports of entry and for emergency remedial measures when invasive species are detected.

DOA, Hawaii Crop Improvement Association, The Nature Conservancy of Hawaii, Conservation Council for Hawaii, Pineapple Growers Association of Hawaii, Maui Land & Pineapple Company, Inc., KAHEA, and Meadow Gold Dairies testified in support of this measure. The Department of Land and Natural Resources, Department of Transportation, and the Airlines Committee of Hawaii supported the intent of this bill. Alexander & Baldwin, Inc., and Matson Navigation Company, Inc., opposed this measure. The Hawaii Farm Bureau Federation and Maui County Farm Bureau submitted comments.

Your Committee recognizes the critical need to prevent invasive species from further decimating our natural environment. However, your Committee is also cognizant of the fact that the method of funding contained in this measure may not be the most prudent.

Therefore, your Committee has amended this measure by:

- (1) Deleting the requirement that DOA establish a schedule of service fees and charges;
- (2) Deleting fees for permits and inspections from the list of items that are required to be deposited into the Fund;
- (3) Appropriating an unspecified amount of general funds to be deposited into the Fund and used for the purposes of the Fund;
- (4) Changing the effective date to July 1, 2020, to promote further discussion on this matter; and
- (5) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2263, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2263, H.D. 2.

Signed by all members of the Committee except Representative Stevens.

**SCRep. 867-06 Finance on H.B. No. 3087**

The purpose of this bill is to provide the Hawaii Health Systems Corporation (HHSC) with more flexibility to purchase health care goods and services. Specifically, this bill:

- (1) Designates the administrator of each hospital in HHSC, or the administrator's designee, as the chief procurement officer of HHSC; and
- (2) Increases from \$25,000 to \$100,000 the amount for which a procurement of goods, services, or construction can qualify as a small purchase.

The State Procurement Office and several individuals from HHSC supported the intent of this bill. The Department of Accounting and General Services offered comments.

Your Committee has amended this bill by:

- (1) Designating only the chief executive officer of HHSC as the chief procurement officer of HHSC;
- (2) Changing to \$50,000 the amount for which a procurement of goods, services, or construction can qualify as a small purchase; and
- (3) Changing the effective date to July 1, 2020, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3087, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3087, H.D. 2.

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

**SCRep. 868-06 Finance on H.B. No. 3098**

The purpose of this bill is to clarify the rights of certain charter school employees by establishing that:

- (1) A qualifying teacher from a new century charter school who transfers to a public school shall not be considered a new teacher of the Department of Education (DOE) subject to DOE's probationary requirements;
- (2) A civil service employee at a new century conversion charter school who is promoted or takes a voluntary demotion to another civil service position shall be entitled to all of the rights, privileges, and benefits of continuous, uninterrupted civil service; and
- (3) Civil service employees of a new century conversion charter school shall retain their civil service status in the DOE's civil service system and shall be entitled to all rights and benefits as other civil service employees employed by DOE.

The Department of Human Resources Development supported this bill. The Hawaii Government Employees Association and the Charter School Administrative Office supported the intent of this bill. The Board of Education (BOE) submitted comments.

Your Committee notes the concerns raised in the BOE testimony. BOE indicated that recognizing the tenure of new century charter school teachers who transfer to traditional public schools may be problematic, as charter schools and DOE have different collective bargaining agreements and tenure systems.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3098, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3098, H.D. 2.

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

**SCRep. 869-06 Finance 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 persons.

The Housing and Community Development Corporation of Hawaii (HCDCH), Land Use Research Foundation of Hawaii, and Hawaii Association of Realtors opposed this bill.

Your Committee notes that HCDCH expressed concern that this measure could potentially adversely affect HCDCH's housing development programs and may impact affordable for-sale housing projects under HCDCH.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1886, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1886, H.D. 1.

Signed by all members of the Committee except Representative Stevens.

**SCRep. 870-06 Finance on H.B. No. 1948**

The purpose of this bill is to improve and expand upon the State's recycling initiative by:

- (1) Increasing the volume limit of deposit beverage containers subject to the recycling program from 64 to 68 fluid ounces;

- (2) Requiring distributors to report container numbers sold and make fee payments on that basis;
- (3) Specifying redemption center minimum operating hours and days;
- (4) Permitting calculation of redemption value by container count for 200 containers or less; and
- (5) Allowing refusal of refund for previously processed and baled containers.

Reynolds Recycling and the Windward Ahupua`a Alliance supported this bill. The Department of Health supported this measure with amendments. The Hawaii Food Industry Association opposed this bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1948, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1948, H.D. 2.

Signed by all members of the Committee except Representative Stevens.

**SCRep. 871-06 Finance on H.B. No. 1917**

The purpose of this bill is to propose a constitutional amendment to establish a Salary Commission (Commission) to review and recommend 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, executive officers, and the deputies or assistants to departments heads of the departments provide by law, 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. The Department of Human Resources Development (DHRD) provided comments.

DHRD's testimony indicated that:

- (1) Due to the nature and scope of the Commission, more time would be needed to complete the recommendations, as the amendment would take effect in November 2006; and
- (2) The period of eight years between recommendations be reduced to four.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1917, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1917, H.D. 2.

Signed by all members of the Committee.

**SCRep. 872-06 Finance on H.B. No. 2211**

The purpose of this bill is to repeal the definition of "day" or "days" in the State's Workers' Compensation law to correct the unintended delay in the workers' compensation process caused by defining "day" to mean working day.

The Department of Labor and Industrial Relations, Hawaii Employers' Mutual Insurance Company, Inc., Hawaii Insurers Council, and ILWU Local 142 supported this bill. The Hawaii State AFL-CIO supported the intent of this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2211, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2211, H.D. 1.

Signed by all members of the Committee except Representatives Magaoay, Wakai and Stevens.

**SCRep. 873-06 Finance on H.B. No. 2371**

The purpose of this bill is to take immediate steps to improve the operations at the Hawaii Youth Correctional Facility (HYCF) by making an emergency appropriation of \$1,320,000 for the current fiscal year.

The Department of Health (DOH), Office of Youth Services, and Hawaii Disability Rights Center testified in support of this bill. The Attorney General (AG) offered amendments.

To fulfill the State's obligations under a Memorandum of Agreement (MOA) with the United States Department of Justice that took effect on February 9, 2006, the AG recommended additional appropriations totaling \$5,498,844 for various remedial measures at HYCF.

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

- (1) Updating and clarifying the steps that the State needs to take to comply with the MOA;
- (2) Authorizing that 19 temporary youth correctional officer positions be converted to permanent positions;
- (3) Replacing the appropriation to HYCF with \$1 appropriations to DOH, the Department of Human Services, and the Department of Education to promote further discussion;
- (4) Extending the lapsing date of the appropriations to June 30, 2007; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2371, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2371, H.D. 1.

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

**SCRep. 874-06 Finance 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 for vocational rehabilitation services.

The Hawaii Government Employees Association, ILWU Local 142, Vocational Management Consultants, Inc., and several concerned individuals testified in support of this bill. The Hawaii Employers' Mutual Insurance Company, Inc., supported the intent of this measure. The Department of Labor and Industrial Relations and Department of Human Resources Development opposed this bill.

Your Committee finds that the law as applied refers employees to vocational rehabilitation services when they are unable to return to their position due to a work injury.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2558, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2558, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Nishimoto, Wakai, Yamane, Meyer, Moses, Pine and Stevens.

**SCRep. 875-06 Finance 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 the Fund on June 30, 2011.

The Hawaii Community Development Authority supported the intent of this bill. A concerned individual supported this measure with amendments. The Department of Budget and Finance did not support this bill.

Your Committee has amended this bill by:

- (1) Specifying that the Program is not to be used for residential development makai of Ala Moana Boulevard;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2566, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2566, H.D. 1.

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

**SCRep. 876-06 Finance 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 to provide low-interest loans to eligible persons 55 years of age or older to renovate their homes.

The Housing and Community Development Corporation of Hawaii supported the intent of this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2598, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2598, H.D. 1.

Signed by all members of the Committee except Representative Stevens.

**SCRep. 877-06 Finance on H.B. No. 2678**

The purpose of this bill is to assist public employees with incurable and debilitating diseases to retire at a time of their choosing rather than the 90-day deadline after approval of their retirement application established through administrative rules.

The Employees Association of the City & County of Honolulu, Hawaii Government Employees Association, Hawaii State Teachers Association, and several concerned individuals submitted testimony in support of this bill. The Employees' Retirement System (ERS) opposed this measure. The Department of the Attorney General offered comments.

The ERS noted that this measure may result in a member's actual retirement being delayed years after the approval of the member's application, making it difficult for employers to fill positions occupied by disabled employees on paid sick leave or vacation pay. Additionally, eliminating the time limit for retirement may encourage early filing of normal disability applications.

However, your Committee believes the intent of this measure is worthy of further consideration. Therefore, your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2678, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2678, H.D. 2.

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

**SCRep. 878-06 Finance 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 all of the units be retained in perpetuity as affordable units for households at or below the current income restrictions;  
 (3) Appropriating \$6,800,000 for land 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 testified in support of this bill. The Housing and Community Development Corporation of Hawaii and the Department of Community Services 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 July 1, 2020, to encourage further discussion; and



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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2994, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2994, H.D. 2.

Signed by all members of the Committee except Representative Stevens.

**SCRep. 879-06 Finance on H.B. No. 3121**

The purpose of this bill is to ensure the welfare of pet animals by:

- (1) Directing the Governor to establish criteria, requirements, conditions, and limitations for providing emergency shelters for pet animals; and
- (2) Requiring the Director of Civil Defense (Director) to identify public shelters suitable for sheltering pet animals, and allowing the Director to identify private shelters for the same purpose.

The Department of Defense, Maui Humane Society, Hawaiian Humane Society, 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, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3121, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3121, H.D. 2.

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

**SCRep. 880-06 Finance on H.B. No. 1928**

The purpose of this bill is to:

- (1) Grant the Board of Land and Natural Resources additional leeway in amending:
- (A) Hotel and resort public land leases to qualify the lease for purposes of mortgage lending; and
- (B) The term of qualified hotel, commercial, and industrial public land leases;
- and
- (2) Permit the disposition of public lands by lease for agricultural purposes.

The Hawaii Farm Bureau Federation testified in support of this bill. The Department of Land and Natural Resources opposed the measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1928, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1928, H.D. 2.

Signed by all members of the Committee except Representative Stevens.

**SCRep. 881-06 Finance on H.B. No. 1938**

The purpose of this bill is to strengthen the use restrictions of the state land use agricultural district. Specifically, this bill:

- (1) Clarifies that counties shall not permit any use in the agricultural district that is not a statutorily permitted use;
- (2) Specifically prohibits golf-related facilities, private membership facilities, including hotels and resort-related commercial uses, tiem share facilities, and commercial vacation facilities within the agricultural district, except for golf courses approved by the county before July 1, 2005 and existing nonconforming uses;
- (3) Regardless of soil classification, prohibits county or state approval of a division or subdivision of land unless it is restricted to agricultural uses primarily in pursuit of the agricultural activities described in the state land use law;

- (4) Repeals the county's authorization to further define "accessory agricultural uses" within the agricultural district; and
- (5) Repeals the provision specifically giving the Land Use Commission the authority to approve by special permit, agricultural uses other than described or compatible with those in the land use law.

The Sierra Club, Hawaii Chapter, and C&H Farms testified in support of this bill. The Department of Business, Economic Development and Tourism supported the intent of this measure. The Department of Planning and Permitting of the City and County of Honolulu and Land Use Research Foundation of Hawaii opposed this bill. The Department of Agriculture and a concerned individual offered comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1938, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1938, H.D. 2.

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

**SCRep. 882-06 Finance on H.B. No. 2399**

The purpose of this bill is to enhance ferry service between the islands of Maui county by affording preferential consideration for ferry landings, but not other commercial purposes, to all small boat facilities within Maui county.

The Department of Land and Natural Resources, Office of the Mayor of the County of Maui, and Paradise Cruise, Ltd., testified in support of this bill.

Your Committee recognizes concerns raised that when the same vessels used for inter-island ferry service are competing in the dinner cruise, excursion, or charter trades, they should pay the fees and abide by the traffic and berthing process common to the rest of the cruise boat industry within those same harbors. This requirement will ensure a level playing field for all tax- and fee- paying operators when these special purpose vessels are operating beyond the parameters of their special purpose venue.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2399, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2399, H.D. 2.

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

**SCRep. 883-06 Finance 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 (TAT) collections deposited into the Convention Center Enterprise Special Fund.

The Hawaii Tourism Authority supported this bill. The Hawaii Government Employees Association opposed this measure. The Department of Business, Economic Development, and Tourism and Department of Taxation offered comments.

Your Committee notes that while 50 percent of TAT revenues are deposited into the Convention Center Enterprise Special Fund and Tourism Special Fund, the counties, which provide critical services and infrastructure for tourists, receive less than 45 percent.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2669, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2669, H.D. 1.

Signed by all members of the Committee except Representative Stevens.

**SCRep. 884-06 Finance on H.B. No. 1862**

The purpose of this bill is to allow the Department of Education (DOE) to employ retired licensed teachers to teach in teacher shortage areas or serve as mentors for new classroom teachers, provided that retired teachers are retired for at least one calendar year prior to reemployment.

The Hawaii State Teachers Association testified in support of this bill. DOE supported the intent of this measure. The Employees' Retirement System (ERS) provided comments.

Your Committee notes that ERS expressed concern over the possible adverse actuarial impact this bill would have on the ERS' unfunded liability. ERS also suggested that this bill be amended to require the employer to contribute 13.75 percent of the rehired retiree's salary to mitigate this impact.

Your Committee recognizes both the need to address Hawaii's teacher shortage and the need to be fiscally responsible with regard to the State's financial future.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1862, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1862, H.D. 2.

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

**SCRep. 885-06 Finance on H.B. No. 2178**

The purpose of this bill is to support Hawaii's agricultural industry by making certain agricultural infrastructure improvements eligible for low interest financing through the issuance of special purpose revenue bonds (SPRBs). This bill authorizes the Department of Budget and Finance (B&F) to issue SPRBs for agricultural enterprises that construct or renovate agricultural irrigation systems or infrastructure that directly serve important agricultural lands.

The Department of Agriculture, University of Hawaii College of Tropical Agriculture and Human Resources, Hawaii Crop Improvement Association, Pineapple Growers Association of Hawaii, Meadow Gold Dairies, Hawaii Farm Bureau Federation, and Land Use Research Foundation of Hawaii testified in support of this bill. B&F, and the Hawaii Agriculture Research Center supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Adding a provision that the project party's property, interest, and revenue may be subjected to the present and future lien of any mortgage of the project party securing the project party's bonds; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2178, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2178, H.D. 1.

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

**SCRep. 886-06 Finance on H.B. No. 2609**

The purpose of this bill is to ensure fair and equitable salary and benefit packages for New Century Charter School employees by:

- (1) Assigning them to public sector bargaining units; and
- (2) Establishing the collective bargaining process for New Century Charter School employees.

The Board of Education, Charter School Administrative Office, and Hawaii Government Employees Association supported this bill. The Office of Collective Bargaining and Hawaii State Teachers Association supported the intent of this measure.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2609, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2609, H.D. 1.

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

**SCRep. 887-06 Finance 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 to the Charter School Administrative Office (CSAO) to be used through the Education 600 Program:
  - (a) As seed funds to plan, organize, and develop a charter schools facilities fund partnership to support charter school capital improvements; and
  - (b) To reimburse new century charter schools for the rent, lease, or mortgage expenses of their facilities;

- (2) Establishing an income tax credit for landlords to rent or lease property to a new century charter school or its associated nonprofit organization; and
- (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.

The Department of Education and concerned individuals testified in support of this bill. The CSAO and Board of Education supported the intent of this measure. The Office of Hawaiian Affairs supported this bill in part and opposed this bill in part. The Department of Taxation, Tax Foundation of Hawaii, and Hawaii Government Employees Association submitted comments.

Your Committee has amended this measure by:

- (1) Changing its 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 record of votes of 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. 2610, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2610, H.D. 2.

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

**SCRep. 888-06 Finance on H.B. No. 2765**

The purpose of this bill is to strengthen invasive species control and eradication efforts by, among other things:

- (1) Requiring the Department of Agriculture (DOA) to designate as pests, vertebrate species injurious to the environment or vegetation of value, including the coqui frog;
- (2) Clarifying that with certain exceptions, no person shall intentionally or negligently possess, propagate, sell, transport, or harbor any animal included on the list of prohibited animals maintained by the Board of Agriculture;
- (3) Prohibiting all goods determined by DOA to be at risk of transporting a pest from being offered for sale, sold, or moved inter-island or intra-island, unless the goods can be 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 that 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 private property, with the permission of the property owner.

The Nature Conservancy of Hawai'i, Maui Outdoor Circle, Kihei Akahi A.O.A.O., C & H Farms, and a concerned individual testified in support of this bill. DLNR and the Hawaii Association of REALTORS supported the intent of this measure. DOA opposed this bill in part. The Hawaii Farm Bureau Federation provided comments.

Your Committee wishes to acknowledge the concerns that were brought forth during this bill's hearing, including the possibility that some of the language may be overly broad. Specifically, as written, DOA may be mandated to control pests outside of the scope of its duties, by an interpretation that DOA is mandated to control all pests, agricultural or not. The bill may also make all goods determined by DOA to be at risk of transporting pests unavailable for sale or movement.

However, your Committee recognizes that the problem of invasive species control is one that will only continue to grow if left unchecked.

Accordingly, your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2765, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2765, H.D. 2.

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

**SCRep. 889-06 Finance on H.B. No. 2878**

The purpose of this bill is to diversify Hawaii's economy by authorizing the issuance of special purpose revenue bonds for Tradewinds Forest Products, LLC, to process eucalyptus timber on the Big Island by constructing a veneer mill and cogeneration facility.

Tradewinds Forest Products, LLC, and a concerned individual testified in support of this bill. The Department of Budget and Finance (B&F) provided comments.

B&F indicated that under federal tax law, most of the project may not qualify for financing on a tax-exempt basis, and the portions of the project that may qualify will be subject to a \$10,000,000 financing limit. Moreover, qualifying the project for tax-exempt financing will depend on a detailed legal analysis of the engineering schematics and components of the proposed project.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2878, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2878, H.D. 1.

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

**SCRep. 890-06 Finance 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;
- (2) Allowing the Director of Finance to invest not more than ten percent of moneys available in the State treasury in linked investments; and
- (3) Providing that the State is not liable for payment of a loan that is made through linked investments if an eligible borrower defaults on the loan.

The Hawaii Farm Bureau Federation testified in support of this bill. The Department of Agriculture supported the intent of this measure. The Department of Budget and Finance commented on this bill.

Your Committee acknowledges the Department of Budget and Finance's concerns that linked investments by nature will yield less than the market interest rate. However, given that the investment vehicle in question may spur economic activity, your Committee wishes to move this measure forward to continue discussion.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3067, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3067, H.D. 2.

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

**SCRep. 891-06 Finance on H.B. No. 3077**

The purpose of this bill is to authorize the issuance of special purpose revenue bonds (SPRB) to assist Rosette Steel Hawaii with technology-based manufacturing of steel products for the construction industry to assist in the development of affordable housing in Hawaii.

Rosette Steel Hawaii, LLC, testified in support of this bill. The Department of Budget and Finance offered comments.

Your Committee has amended this bill by:

- (1) Lowering the SPRB authorization from \$15,000,000 to \$10,000,000;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3077, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3077, H.D. 1.

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

**SCRep. 892-06 Finance 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 as "charter schools" and "conversion charter schools," respectively;
- (3) Clarifies that conversion charter schools fall under the category of "charter schools" but distinguishing between the procedures for establishing charter schools and conversion charter schools by creating separate sections for each;
- (4) Provides that conversion charter schools may be a new school consisting of programs or sections of existing public school programs or sections of existing public school populations that are part of a separate Hawaiian Language Immersion Program and using existing public school facilities;
- (5) Renames the Charter School Review Panel as the Charter School Authorization Panel, expanding its membership, and assigning it the role of charter school authorizer;
- (6) Sets limits on the amount a nonprofit organization can contribute annually per pupil, toward the operation of a conversation charter school;
- (7) Clarifies and enhances the powers and duties of the Charter School Administrative Office (CSAO) and its executive director;
- (8) Empowers the local school boards of the charter schools to negotiate memorandum of agreements of supplemental collective bargaining agreements with the exclusive representatives of their employees;
- (9) Allows civil service employees of a conversion charter school to retain their civil service status in the Department of Education (DOE) Human Resources Civil Service System; and
- (10) Amends other parts of the Hawaii Revised Statutes to maintain consistency with the provisions of the new chapter relating to charter schools.

DOE, the Board of Education, CSAO, Department of Human Resources Development, Office of Hawaiian Affairs, and Kamehameha Schools supported this bill with amendments. The Department of Land and Natural Resources and Hawaii Government Employees Association offered comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2962, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2962, H.D. 2.

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

**SCRep. 893-06 Finance 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 veterinarian license to perform limited veterinary services in Hawaii.

The Hawaiian Humane Society and numerous concerned individuals testified in support of this bill. The Board of Veterinary Examiners, Animal CARE Foundation, and several concerned individuals opposed this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1836, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1836, H.D. 2.

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

**SCRep. 894-06 Finance 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.

The Honolulu Police Department, Mililani Town Anti-Drug Committee, and a concerned individual testified in support of this bill. DOH supported the intent of this measure.

Your Committee wishes to acknowledge DOH's estimate that the cost of developing the standards and procedures required by this measure may total between \$100,000 and \$200,000. However, your Committee believes that this issue is one worth pursuing and encourages further discussion on this matter.

As affirmed by the record of votes of 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. 2039, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Stevens.

**SCRep. 895-06 Finance on H.B. No. 2278**

The purpose of this bill is to support victims of sexual violence crimes by making emergency appropriations:

- (1) For DNA testing of persons convicted of felony offenses by collecting buccal swab samples; and
- (2) For programs to prevent sexual violence and to protect and treat sexual violence victims.

The Department of the Attorney General, the Judiciary, Department of the Prosecuting Attorney of the City and County of Honolulu, The Sex Abuse Treatment Center, Sexual Assault Support Services, and YWCA of Kauai 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. 2278, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Meyer.

**SCRep. 896-06 Finance 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:

- (1) Any application for county zoning changes; and
- (2) Any petition for state land use district boundary amendments,

for land located within 3,000 feet or two miles of a military installation, depending on county population.

The Department of Defense testified in support of this bill. The Land Use Research Foundation of Hawaii opposed this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2442, H.D. 2, and recommends that it pass Third Reading.

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

**SCRep. 897-06 Finance on H.B. No. 1835**

The purpose of this bill is to increase public and environmental health by lessening the amount of light pollution created by state facilities by requiring the Department of Transportation, to the extent that is practical to:

- (1) Comply with county ordinances and standards relating to outside lighting at airports, harbors, and highways; and
- (2) Provide cut-off or fully shielded lens fixtures to direct artificial lighting downward and not diffused into the atmosphere.

The University of Hawaii's Institute of Astronomy and the Hawaii Chapter of the Sierra Club supported this bill. The Department of Transportation opposed this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1835, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Stevens.

**SCRep. 898-06 Finance on H.B. No. 2778**

The purpose of this bill is to provide for effective and timely communication between all levels of government and individuals who are precluded from using public services due to language proficiency barriers.

The County of Maui Department of the Prosecuting Attorney Victim/Witness Assistance Division, National Association of Social Workers, Na Loio Immigrant Rights and Public Interest Legal Center, Hawaii Registry of Interpreters for the Deaf, Inter-Agency Council for Immigrant Services, Hawaii Interpreter Action Network, Domestic Violence Clearinghouse and Legal Hotline, American Cancer Society Hawaii Pacific, Inc., Ilokos Norte Aid Association, Sakada Foundation, Laoag City Circle of Hawaii, National Foundation of Filipino American Associations Region XII, United Filipino Council of Hawaii, Philippine Nurses Association-Hawaii Chapter, Filipino Association of University Women, Filipino Coalition for Solidarity, Asian American Network for Cancer Awareness, Research and Training, Oahu Filipino Community Council, Gumil Hawaii, Filipino Social Workers of Hawaii, Philippine International Society, and numerous concerned individuals submitted

testimony in support of this bill. The Judiciary, Department of Labor and Industrial Relations, Department of Health, Department of Human Resources Development, Disability and Communications Access Board, and Catholic Charities Hawaii supported the intent of this measure. The Hawaii Civil Rights Commission supported this bill with amendments. The Department of the Attorney General and Legislative Reference Bureau provided comments.

While your Committee notes that there are problematic aspects to consider, it is also interested in using this measure as a vehicle to advance the concept that government should be accessible to all people regardless of their language abilities. As a nation of immigrants and especially here in a state known as "The Melting Pot of the Pacific," it is especially important that our government remain cognizant of the need to provide opportunities for all who choose to come to Hawaii.

As affirmed by the record of votes of 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. 2778, H.D. 2, and recommends that it pass Third Reading.

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

**SCRep. 899-06 Finance on H.B. No. 3149**

The purpose of this bill is to provide for the proper maintenance of the remnant parcel abutting the Hale Aupuni subdivision in Waiamanalo, which is currently under the jurisdiction of the Hawaii Housing Finance and Development Administration (HHFDA) by:

- (1) Transferring HHFDA control and custody of this remnant parcel to the Department of Land and Natural Resources (DLNR); 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.

As affirmed by the record of votes of 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. 3149, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Stevens.

**SCRep. 900-06 Finance on H.B. No. 2183**

The purpose of this bill is to improve public safety by authorizing the issuance of general obligation bonds to retrofit public school facilities to enable them to be used as emergency shelters.

The Department of Defense and Department of Education 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, nonsubstantive amendments for consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2183, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2183, H.D. 1.

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

**SCRep. 901-06 Finance 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 prohibiting members from:

- (1) Receiving refunds of contributions made while employed by the State or counties; and
- (2) Making additional contributions once the member has received a refund of contributions while employed by the State or counties.

The Department of Budget and Finance and Hawaii State Teachers Association testified in support of this bill. The ERS also supported this measure with amendments.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2311, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2311, H.D. 1.

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

**SCRep. 902-06 Finance 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.

The Hawaii Bankers Association and several concerned individuals testified in support of this bill. The Department of Taxation, Tax Foundation of Hawaii, and Land Use Research Foundation of Hawaii submitted comments.

Your Committee has amended this measure by:

- (1) Changing its 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 record of votes of 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. 2803, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2803, H.D. 1.

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

**SCRep. 903-06 Finance on H.B. No. 2508**

The purpose of this bill is to expedite the removal of abandoned vehicles from Hawaii's roadways by:

- (1) Increasing from \$250 to \$1,000 the value of an abandoned vehicle for which public auction requirements may be waived;
- (2) Removing the requirement for the value of the abandoned vehicle to be appraised; and
- (3) Clarifying public notice requirements for the disposal of an abandoned vehicle.

The Mayor of the County of Maui, Department of Customer Services of the City and County of Honolulu, and Windward Ahupua'a Alliance testified in support of this bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2508, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2508, H.D. 2.

Signed by all members of the Committee except Representative Stevens.

**SCRep. 904-06 Finance on H.B. No. 1843**

The purpose of this bill is to ensure the continued supply of qualified individuals to support and maintain Hawaii's agriculture industry by establishing a comprehensive Vocational Agriculture Education Program in the public schools.

The Department of Agriculture, Department of Labor and Industrial Relations' Workforce Development Council, Hawaii Farm Bureau Federation, Economic Development Alliance of Hawaii, C & H Farms, and numerous concerned individuals testified in support of this bill. The Department of Education supported the intent of this measure.

Your Committee has amended this bill by:

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

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

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

**SCRep. 905-06 Finance 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 maximum annual per pupil contribution a nonprofit organization can be required to contribute, should it decide to undertake the creation of a new century conversion charter school.

The Office of Hawaiian Affairs testified in support of this bill. The Board of Education, Charter School Administrative Office, and Ho'okako'o Corporation supported the intent of this measure. The Hawaii State Teachers Association opposed this bill.

Your Committee has amended this bill by:

- (1) Changing its 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 record of votes of 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. 2550, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2550, H.D. 2.

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

**SCRep. 906-06 Finance on H.B. No. 3030**

The purpose of this bill is to more efficiently record real estate transactions by:

- (1) Adjusting the ceiling of the Bureau of Conveyances Special Fund (Special Fund); and
- (2) Using the moneys in the Special Fund to add nine full-time staff positions to the Bureau of Conveyances.

First American Title Company, Inc., testified in support of this bill. The Department of Land and Natural Resources supported the intent of this measure. The Hawaii Association of Realtors opposed this bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3030, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3030, H.D. 1.

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

**SCRep. 907-06 Finance on H.B. No. 2265**

The purpose of this bill is to transfer certain functions concerning paroled individuals from the Hawaii Paroling Authority to the Department of Public Safety (DPS).

DPS and the Hawaii Government Employees Association testified in support of this bill. The Hawaii Paroling Authority (HPA) opposed this bill.

Your Committee notes the concerns raised by HPA that this measure would eliminate the parole board's ability to render decisions without outside interference and may delay the timely rendering of parole revocation decisions.

However, your Committee finds that further discussion on this matter is needed and, therefore, has amended this bill by changing the effective date to July 1, 2020. Technical, nonsubstantive amendments were also made for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2265, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2265, H.D. 2.

Signed by all members of the Committee except Representative Stevens.

**SCRep. 908-06 Finance 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.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2717, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2717, H.D. 1.

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

**SCRep. 909-06 Finance on H.B. No. 2109**

The purpose of this bill is to coordinate and develop fetal alcohol spectrum disorder (FASD) information, education, policies, and support services statewide by establishing and appropriating funds for a state FASD coordinator position within the Department of Health's (DOH) Family Health Services Division

The March of Dimes, Hawaii Chapter, Healthy Mothers, Healthy Babies Coalition of Hawaii, and several concerned individuals supported this bill. DOH supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2109, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 910-06 Finance 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 charged with creating a high technology master plan.

The High Technology Development Corporation 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3019, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 911-06 Finance on H.B. No. 3089**

The purpose of this bill is to address costs of post employment benefits other than pensions, such as health care costs, that under the new standards established by the Government Accounting Standards Board (GASB) Statement Nos. 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 (DAGS) supported the intent of this bill and suggested amendments. The Hawaii Government Employees Association supported the intent of this measure. The Department of Budget and Finance and Hawaii Employer-Union Health Benefits Trust Fund (EUTF) offered comments.

Under new uniform financial reporting standards set forth by GASB Statement Nos. 43 and 45, the State's financial statements must show:

- (1) The actuarial present value of the total future cost of providing retiree health benefits (Retiree Benefits Costs) to the State's employees, retirees, and their beneficiaries under the terms of the State's retiree health benefit plans;
- (2) The annual contributions that would be required for the State to amortize Retiree Benefits Costs over a 30-year period; and
- (3) The State's status and progress in funding or amortizing Retiree Benefits Costs.

DAGS brought forth valid concerns about this measure, stating that the establishment of PETF would not meet the standards set by GASB Nos. 43 and 45. To meet these standards, DAGS proposed an amended version of this bill, providing that EUTF would, in addition to its current purpose, hold contributions for the use and benefit of employee beneficiaries and dependent beneficiaries. If amendments were made according to DAGS' recommendations, however, your Committee notes that the bill's title would be inconsistent with its contents and become defective. Your Committee finds that further careful review of this measure is warranted.

As affirmed by the record of votes of 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. 3089, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 912-06 Finance on H.B. No. 2698**

The purpose of this bill is to streamline and make efficient the processing of workers' compensation claims 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 Hawaii Employers' Mutual Insurance Company, Inc. (HEMIC), Hawaii Insurers Council, Hawaii State AFL-CIO, Hawaii State Chiropractic Association, Klein Chiropractic Center, and several concerned individuals supported this bill. The Department of Human Resources Development and Hawaii Chapter of the American Physical Therapy Association supported the intent of this measure. The Department of Labor and Industrial Relations (DLIR) provided comments.

Your Committee wishes to note the concerns expressed by DLIR that the requirement of standardized billing forms may cause insurance carriers and self-insured employers to hire bill review agencies to ensure such forms are filled out correctly and in compliance with Hawaii's stringent workers' compensation laws. This may have the inadvertent effect of causing delays as payments are denied due to incorrectly completed forms.

Your Committee also notes that HEMIC testified that should this bill pass, it would be willing to provide incentives to providers to encourage migration to an electronic format.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2698, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2698, H.D. 1.

Signed by all members of the Committee except Representatives Magaoay, Wakai and Stevens.

**SCRep. 913-06 Finance 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 long-term care to one or more elderly family members requiring such care at home.

The Faith Action for Community Equity-Public Health Committee, National Multiple Sclerosis Society Hawaii Division, Hawaii Alliance for Retired Americans, ILWU Local 142, and a concerned individual testified in support of this bill. The Department of Taxation and the Policy Advisory Board of Elder Affairs supported the intent of this measure. The Tax Foundation of Hawaii provided comments.

Your Committee, having received testimony to the effect, is open to making the tax credit refundable. However, in the absence of a cost estimate, such action may be premature at this time. Your Committee has therefore amended this bill by changing the effective date to July 1, 2020, to encourage further discussion on this and other provisions of the bill.

Your Committee has also 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2097, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2097, H.D. 2.

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

**SCRep. 914-06 Finance on H.B. No. 2248**

The purpose of this bill is to assist displaced Kalapana families by appropriating \$2,000,000 into the Kikala-Keokea Housing Revolving Fund to provide low-interest home construction loans for Kikala-Keokea leaseholders and to fund related activities.

The Office of Hawaiian Affairs 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) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for consistency and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2248, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2248, H.D. 2.

Signed by all members of the Committee except Representative Stevens.

**SCRep. 915-06 Finance on H.B. No. 3060**

The purpose of this bill is to encourage small companies and researchers at nonprofit research institutions to work together to move laboratory-developed technologies to the marketplace and to foster technology-based economic development by establishing a small business technology transfer program within the High Technology Development Corporation (HTDC).

The HTDC 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, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3060, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3060, H.D. 1.

Signed by all members of the Committee except Representative Stevens.

**SCRep. 916-06 Finance 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 for projects where units are offered for rent 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.

Habitat for Humanity in Hawaii testified in support of this bill. A member of the Kauai County Council opposed this measure. The Land Use Research Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3202, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3202, H.D. 1.

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

**SCRep. 917-06 Finance on H.B. No. 3222**

The purpose of this bill is to encourage Hawaii to become a leader in the development of renewable hydrogen technologies and move the state toward a renewable hydrogen economy by:

- (1) Establishing the Hawaii Renewable Hydrogen Program (Program) to manage and plan for the State's transition to a renewable hydrogen economy;
- (2) Establishing the Hydrogen Investment Capital Special Fund (Hydrogen Special Fund) to seed private and federal projects for the deployment of hydrogen systems;
- (3) Appropriating an unspecified sum to fund the Program, and \$10,000,000 to fund the Hydrogen Special Fund;
- (4) Directing the Department of Business, Economic Development, and Tourism (DBEDT), Hawaii Natural Energy Institute, and Natural Energy Laboratory of Hawaii Authority (NELHA) to design a distributed energy storage microgrid demonstration project to transport energy to NELHA; and
- (5) Directing the Public Utilities Commission (PUC) to regulate the microgrid.

The Hawaii Center for Advanced Transportation Technologies and High Technology Development Corporation testified in support of this bill. The Hawaii Energy Policy Forum supported the measure in part. Hawaiian Electric Company, Inc., Maui Electric Company, Ltd., Hawaii Electric Light Company, Inc., and Hawaii Natural Energy Institute of the University of Hawaii at Manoa supported the bill in part and commented. Rocky Mountain Institute supported the bill with amendments. DBEDT and the Consumer Advocate supported the intent of the bill. PUC and Puna Geothermal Venture provided comments.

Taking into consideration concerns and opposition by the testifiers in this and previous committee hearings, your Committee has amended this bill by removing the provision for a distributed energy storage microgrid system. Your Committee has also amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3222, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3222, H.D. 2.

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

**SCRep. 918-06 Finance 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:

- (1) Stipulates that OHA's pro rata portion of the public land trust shall be \$15,100,000 per fiscal year and appropriates that sum to OHA;
- (2) Appropriates \$17,500,000 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;
- (3) Requires the Department of Land and Natural Resources to account for receipts generated from the public land trust, and appropriates \$250,000 for that purpose; and
- (4) Specifies 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.

OHA, the Attorney General, Native Hawaiian Chamber of Commerce, Native Hawaiian Hospitality Association, Native Hawaiian Legal Corporation, Alu Like, Inc., Na Pua No'eau, and Daughters and Sons of the Hawaiian Warriors-Mamakakaua testified in support of this bill. The Department of Land and Natural Resources (DLNR) opposed this measure in part and offered comments.

Your Committee wishes to note the concerns of DLNR that it may not have the resources to adequately account for the receipts generated by all state departments.

Your Committee has amended this bill by changing the effective date to July 1, 2020, to promote further discussion. Your Committee has also made technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2204, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2204, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Takamine, Tsuji, Meyer and Stevens.

**SCRep. 919-06 Finance on H.B. No. 2440**

The purpose of this bill is to protect student-athletes and educational institutions from potential harm and unethical practices of athlete agents by enacting the Uniform Athlete Agents Act developed by the National Conference of Commissioners on Uniform State Laws. This bill, among other things:

- (1) Establishes registration requirements for athlete agents;
- (2) Establishes information required in an agency contract;
- (3) Requires student-athletes and athlete agents to notify educational institutions of an agency contract entered into by both parties;
- (4) Establishes prohibited conduct on the part of athlete agents; and
- (5) Exempts its provisions from the Auditor's sunrise analysis.

The University of Hawaii, Department of Education, and the Hawaii Commission to Promote Uniform Legislation supported this bill. The Department of Commerce and Consumer Affairs opposed this bill.

Your Committee has amended this measure by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2440, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2440, H.D. 2.

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

**SCRep. 920-06 Finance 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 (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, Hawaii Alliance for Community Based Economic Development, Professional Inventors Alliance, American Ingenuity Alliance, American Federation of Television and Radio Artists, AFL-CIO, KMH LLP, and InventorEd testified in support of this bill. The Hawaii State Teachers Association and Hawaii Government Employees Association supported the intent of this bill. The Office of Information Practices offered comments.

Your Committee has amended this bill by:

- (1) Deleting the reference to the State budget surplus, a percentage of which would be invested in the Corporation;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3261, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3261, H.D. 1.

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

**SCRep. 921-06 Finance on H.B. No. 2182**

The purpose of this bill is to ensure the availability of funds for and effective management of school facilities, which in turn, provide Hawaii's students with the optimal environment for learning.

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.

The Board of Education, DOE, UH, Hawaii Student Council, and Land Use Research Foundation of Hawaii supported this bill. A concerned individual supported this measure with amendments. The Department of Budget and Finance opposed this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2182, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2182, H.D. 1.

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

**SCRep. 922-06 Finance on H.B. No. 2833**

The purpose of this bill is to improve the correctional process by encouraging a programs approach to inmate case management and developing more work opportunities for inmates to benefit the community. Specifically, this measure directs the Department of Public Safety (DPS) to adopt policies regarding greater program participation by inmates.

The Community Alliance on Prisons supported this bill. The DPS supported the intent of this measure.

Your Committee has amended this measure by:

- (1) Providing authorization for the DPS to plan for the construction of minimum-security housing in Kalaeloa;
- (2) Changing the effective date to July 1, 2020; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee notes that the planning and construction of a minimum security housing project will require public notification and input.

As affirmed by the record of votes of 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. 2833, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2833, H.D. 2.

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

**SCRep. 923-06 Finance on H.B. No. 3080**

The purpose of this bill is to promote the motion picture, digital media, and film industries in Hawaii by temporarily replacing the existing 7.25 percent Motion Picture and Film Production Tax Credit with the Motion Picture, Digital Media, and Film Production Tax Credit (New Tax Credit). Specifically, this bill:

- (1) Establishes the amount of the New Tax Credit at 15 percent of qualified production costs incurred in any county with a population of 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, Maui Film Office, Big Island Film Office, Hawaii Film & Entertainment Board, Screen Actors Build Hawaii Branch, International Alliance of Theatrical State Employees, Mixed Local 665, American Federation of Musicians, Local 667, and a concerned individual testified in support of this bill. The Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3080, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3080, H.D. 1.

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

**SCRep. 924-06 Finance on H.B. No. 2746**

The purpose of this bill is to exempt from the general excise and use tax, aviation fuel purchased or used for inter-island and intra-island air transportation by common carriers.

Aloha Airlines and Hawaiian Airlines testified in support of this bill. The Department of Taxation offered comments.

While cognizant of the vital role the inter-island air carriers play and the essential transportation services they provide, your Committee notes its concern over the manner in which the major carriers have treated their employees during bankruptcy proceedings, negotiations, and reorganizations.

Much debate has occurred over cost considerations, factors that affect employment and compensation of numerous airline employees. Additionally, despite attempts to cut costs to the detriment of employees, airline consumers have continued to see fares increase substantially. Your Committee, therefore, urges continued discussion on the merits of this measure while taking all aspects of this industry into consideration.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2746, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2746, H.D. 3.

Signed by all members of the Committee except Representative Stevens.

**SCRep. 925-06 Finance 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 to not-for-profit private organizations to develop low- and moderate-income housing.

The Department of Community Services of the City and County of Honolulu and UniDev, LLC, testified in support of this bill. The Department of Budget and Finance supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2991, H.D. 2, and recommends that it pass Third Reading.

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

**SCRep. 926-06 Finance on H.B. No. 2051**

The purpose of this bill is to deter human trafficking by establishing:

- (1) Criminal offenses, including trafficking of persons for forced labor or services, involuntary servitude, and penalties for the offenses;
- (2) A liaison with the United States Department of Justice to harmonize the state and federal governments' response to trafficking;
- (3) A state interagency Anti-trafficking Task Force to carry out various tasks related to human trafficking; and
- (4) Appropriations to support the Anti-trafficking Task Force.

The Crime Victim Compensation Commission, Hawaii State Commission on the Status of Women, Healthy Mothers, Healthy Babies Coalition of Hawaii, Hawaii Family Forum, Hawaii Catholic Conference, Planned Parenthood of Hawaii, Safe Zone Foundation, Girl Fest Hawaii, Catholic Charities Hawaii, Polaris Project, Hawaii Women's Coalition, and several concerned citizens testified in support of this bill. The Soroptimist International of Windward Oahu supported this measure with amendments. The Department of the Prosecuting Attorney and Na Loio—Immigrant Rights and Public Interest Legal Center supported the intent of this bill. The Department of Health provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2051, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 927-06 Finance on H.B. No. 2655**

The purpose of this bill is to expedite the process of investigating traffic accidents and fatalities in counties with populations in excess of 500,000 by:

- (1) Requiring the county's police department to establish a multidisciplinary accident investigation team (MAIT); and
- (2) Appropriating funds to qualifying counties for the MAIT program.

The Representative of the 42<sup>nd</sup> District and a concerned individual testified in support of this bill. The Department of Transportation supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2655, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Stevens.

**SCRep. 928-06 Finance 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 (DCCA), to report annually to the Legislature on the number of taxpayers claiming the tax credits and the cost of the tax credits to the State.

DOTAX, Healthcare Association of Hawaii, Chamber of Commerce of Hawaii, American Council of Life Insurers, Association of Insurance and Financial Advisors, and State Farm Mutual Automobile Insurance Company testified in support of this bill. ILWU, Local 142 supported this measure with reservations. The Kokua Council and the Policy Advisory Board for Elder Affairs opposed this measure. DCCA offered comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3129, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3129, H.D. 1.

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

**SCRep. 929-06 Finance 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:

- (1) Establishing the Community Health Center Capital Improvements Revolving Fund (Revolving Fund) to provide low-interest loans for maintenance, repair, and construction of nonprofit, federally qualified community health centers;
- (2) Appropriating an unspecified amount of general funds into the Revolving Fund; and
- (3) Authorizing the issuance of general obligation bonds for the Revolving Fund.

The Waianae Coast Comprehensive Health Center, Waikiki Health Center, Kalihi-Palama Health Center, Ko'olauloa Community Health and Wellness Center, Hamakua Health Center, Inc., Bay Clinic, Inc., Hawaii Primary Care Association, and 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, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3133, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3133, H.D. 2.

Signed by all members of the Committee except Representative Stevens.

**SCRep. 930-06 Finance on H.B. No. 2043**

The purpose of this bill is to ensure that health and human services are provided to those in need by:

- (1) Requiring the Department of Human Services to set the Medically Needy Income Standard at the maximum allowed under federal Medicaid requirements; and
- (2) Appropriating funds for state Medicaid programs.

The Legal Aid Society of Hawaii supported this bill.

Your Committee finds that the State must comply with federal statutes and regulations that govern the Medicaid program in order to receive federal financial participation that helps fund Hawaii's Medicaid program. As this bill moves forward, consideration should be given to including the Medicaid spenddown program in this measure to truly serve Hawaii's needy population.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2043, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2043, H.D. 2.

Signed by all members of the Committee except Representative Stevens.

**SCRep. 931-06 Finance on H.B. No. 2551**

The purpose of this bill is to preserve the rights, privileges, and benefits of civil service employees of New Century Conversion Charter Schools by:

- (1) Including them in the Department of Education (DOE) human resources system; and
- (2) Providing for their uninterrupted civil service status when transferred, promoted, or taking a voluntary demotion to another civil service position.

The Board of Education, Department of Human Resources Development, Hawaii Business Roundtable, Hookakoo Corporation, and the principals of Kualapuu School and Waimea Middle School supported this bill. DOE and the Charter School Administrative Office supported the intent of this measure. The Hawaii Government Employees Association submitted comments.

Your Committee has amended this bill by:

- (1) Providing that civil service exempt employees, as defined in section 76-16(b), Hawaii Revised Statutes, of New Century Conversion Charter School retain their status in DOE's human resources civil service system for support services personnel and are entitled to all rights and benefits of civil service employees employed by DOE;

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2551, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2551, H.D. 2.

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

**SCRep. 932-06 Finance on H.B. No. 2743**

The purpose of this bill is to revitalize school facilities statewide by establishing a transparent and objective process to more effectively and efficiently use state funds in public education. Specifically, this bill:

- (1) Establishes the Facilities Alignment Commission (Commission) to:
  - (A) Establish criteria for the selection of public schools to be constructed, expanded, consolidated, or closed; and
  - (B) Recommend, based on these criteria, a list of areas for new school construction, and of schools for expansion, consolidation, or closure, which is subject to review by the Legislature;
- (2) Requires the Board of Education to comply with the recommendations of the Commission if the Legislature does not disapprove the recommendations in their entirety; and
- (3) Appropriates funds for the expenses of the Commission.

The Hawaii Government Employees Association and the Economic Momentum Commission supported the intent of this bill. The Board of Education did not support this measure. The Land Use Research Foundation of Hawaii submitted comments.

Your Committee has amended this measure by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2743, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2743, H.D. 2.

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

**SCRep. 933-06 Finance on H.B. No. 1866**

The purpose of this bill is to grant 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, as amended.

UH, DOE, and the Chamber of Commerce of Hawaii testified in support of this bill. The Department of Accounting and General Services opposed this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1866, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1866, H.D. 1.

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

**SCRep. 934-06 Finance on H.B. No. 2212**

The purpose of this bill is to provide young people with the help they need by improving 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 use a department-approved screening tool to screen students who face substance abuse-related discipline to determine if a need exists for a substance abuse assessment referral;
- (5) Mandating 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) supported this bill in part. The Drug Policy Action Group offered qualified support of this measure. Hina Mauka, Hawaii Substance Abuse Coalition, and a concerned individual supported this bill with amendments. The Hawaii Medical Service Association provided comments.

Your Committee wishes to note that the DOE expressed concerns over the mandated 10-day interim in which a substance abuse assessment is to be completed by a certified provider. In practice, it may take between 30 and 45 days to have an assessment completed, given workload demands.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2212, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2212, H.D. 2.

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

**SCRep. 935-06 Finance on H.B. No. 2130**

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

- (1) Establishing a Harbor Land 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.

The ILWU Local 142 testified in support of this bill. Alexander & Baldwin, Inc. (A&B), Matson Navigation Company, Inc., A&B Properties, Inc., and Young Brothers, Limited, supported the intent of this measure. The Department of Transportation opposed this bill. The Land Use Research Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Excluding other privately-owned lands that are contiguous to any commercial harbor that may be required for future harbor use from the requirement that the permitted use of all important harbor lands be used solely as a commercial harbor; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2130, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2130, H.D. 2.

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

**SCRep. 936-06 Finance on H.B. No. 2444**

The purpose of this bill is to prohibit the State and counties from expending federal funds provided by the United States Office for Domestic Preparedness under the State Homeland Security Program unless the state Department of Defense (DOD) submits a detailed expenditure report and homeland security plan.

Several concerned individuals supported this bill. DOD testified that it did not support the measure. The Department of Transportation opposed this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2444, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2444, H.D. 2.

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

**SCRep. 937-06 Finance on H.B. No. 2966**

The purpose of this bill is to further implement the division of the Housing and Community Development Corporation of Hawaii (HCDCH) into two separate agencies, and includes provisions:

- (1) Changing the names of the new agencies to the Hawaii Housing Finance and Development Corporation (HHFDC) and the Hawaii Public Housing Authority (HPHA);
- (2) Expanding the details of the various programs under HHFDC and HPHA to conform to those under HCDCH and to further clarify the duties of HHFDC and HPHA; and
- (3) Appropriating funds as follows:
  - (a) \$708,300 to purchase equipment for HHFDC;
  - (b) An unspecified amount for HHFDC;
  - (c) \$366,303 for six full-time equivalent positions for HHFDC, including an executive and executive assistant position;
  - (d) \$1,800,000 for renovations to HPHA's School Street office; and
  - (e) \$99,427 for three full-time equivalent positions for HPHA.

HCDCH testified in support of this bill.

HCDCH provided testimony requesting that the boards of directors of the housing agencies be allowed to set the salaries of their respective executive directors and executive assistants. HCDCH also suggested that the Director of Finance be retained as a member of the HHFDC board.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2966, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2966, H.D. 2.

Signed by all members of the Committee except Representative Stevens.

**SCRep. 938-06 Finance on H.B. No. 2256**

The purpose of this bill is to deter the use of methods to:

- (1) Fraudulently gain information about a computer user; or
- (2) Control another person's computer, such as "phishing" and "spyware."

Specifically, this measure:

- (1) Establishes the offense of unauthorized installation of software, fraudulent inducement to install software, and inducement for unlawful use of a computer;
- (2) Allows the Attorney General or the county prosecuting attorney to seek up to \$2,500 per violation of the law; and
- (3) Authorizes private action to recover \$5,000 per violation or triple the amount of damages caused, whichever is greater.

The Department of the Attorney General opposed this bill. The Department of Commerce and Consumer Affairs submitted comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2256, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2256, H.D. 1.

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

**SCRep. 939-06 Finance 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 Consumer Lawyers of Hawaii 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, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2606, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2606, H.D. 2.

Signed by all members of the Committee except Representative Stevens.

**SCRep. 940-06 Finance on H.B. No. 2863**

The purpose of this bill is to assist the Natural Energy Laboratory of Hawaii Authority (NELHA) in its efforts to provide resources and facilities for energy and ocean-related research, education, and commercial activities, by establishing the NELHA Innovation Corporation (Corporation), an entity responsible for supporting NELHA.

NELHA and the Hawaii Government Employees Association supported this bill.

Your Committee has amended this bill by:

- (1) Repealing the provision that NELHA use the Corporation for support and services "in every case"; and
- (2) Adding a provision that prohibits the Corporation from contracting with NELHA to provide services by the corporation's employees to NELHA; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2863, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2863, H.D. 2.

Signed by all members of the Committee.

**SCRep. 941-06 Finance 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 resolving disputes over the management of the Marsh. This bill:

- (1) Clarifies the specific parcels to be transferred from the City and County of Honolulu (City) to the State;
- (2) Requires that the transfers be completed by September 1, 2006; and
- (3) Appropriates funds for the City to maintain and operate portions of the Marsh.

The Hawaii Audubon Society, Hawaii's Thousand Friends, and Windward Ahupuaa Alliance testified in support of this bill. The Department of Land and Natural Resources (DLNR) supported this measure with amendments. The City supported the intent of this bill and offered amendments.

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

- (1) More precisely referring to the main parcel to be transferred as "lot 3, as shown on land division parcel map file no. 18-3-3-13";
- (2) Deleting the requirement that another parcel, described as TMK 4-2-13:22, be transferred to the State. This parcel is subsumed under lot 3;

- (3) Including parcels involved in the Oneawa Canal widening project as additional part of the transfer;
- (4) Deleting the provision that the State is under no requirement to maintain any flood control program relating to the Marsh;
- (5) Specifying that prior to the transfer of the parcels, the State shall be granted temporary easement over those parcels;
- (6) Redirecting the appropriation for maintaining the Marsh to DLNR instead of the City; and
- (7) Making technical, nonsubstantive amendments for consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3056, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3056, H.D. 2.

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

**SCRep. 942-06 Finance 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 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 and solar;
- (2) Allowing PUC to prescribe what portion of the remainder of the standards is to be met by specific types of renewable resources; and
- (3) Redefining "renewable energy" to distinguish between standard renewable resources and energy efficiency resources.

The PUC, Hawaiian Electric Company, Inc., Maui Electric Company, Hawaii Electric Light Company, Hawaii Energy Policy Forum, and Hawaii Renewable Energy Alliance testified in support of this bill. The Department of Business, Economic Development, and Tourism supported the intent of this measure. Honolulu Seawater Air Conditioning, LLC, and Life of the Land opposed this bill.

Your Committee notes that there are concerns regarding the definition of "renewable energy" and the advisability of including or excluding energy efficiency resources such as seawater air conditioning. These alternative types of renewable energy technology reduce the use of fossil fuels and provide electricity savings through energy efficiency.

Your Committee finds that Hawaii's energy future is important and that this issue deserves further consideration and discussion.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3053, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3053, H.D. 1.

Signed by all members of the Committee except Representative Stevens.

**SCRep. 943-06 Finance on H.B. No. 2175**

The purpose of this bill is to take a proactive role in reducing Hawaii's dependency on fossil fuel by:

- (1) Providing a framework for energy self-sufficiency, and focusing on energy efficiency and renewable energy resource deployment in:
  - (A) State facilities;
  - (B) Vehicles and equipment; and
  - (C) Public schools; and
- (2) Providing support for energy self-sufficiency through:
  - (A) The renewable energy technologies income tax credit;
  - (B) Priority permitting for renewable energy projects at the county level; and
  - (C) A solar water heating pay as you save program.

The Department of Business, Economic Development, and Tourism, Department of Education, Hawaii Renewable Energy Alliance, Hawaiian Electric Company and its subsidiary utilities, Hawaii Electric Light Company and Maui Electric Company, Rocky Mountain Institute, Sun King, Powerlight Solar Electric Systems, Haleakala Solar, Inc., Conservation Council for Hawaii, and the Sierra Club Hawaii Chapter supported this bill. The Hawaii Solar Energy Association, Hawaii Energy Policy Forum, and Inter-Island Solar Supply supported this bill in part. The Public Utilities Commission, Department of Accounting and General Services, Department of Taxation, The Gas Company, Honolulu

Seawater Air Conditioning, LLC, and American Chemistry Council supported the intent of this bill. Life of the Land opposed this measure. The Consumer Advocate, American Forest and Paper Association, and Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2175, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2175, H.D. 2.

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

**SCRep. 944-06 Finance on H.B. No. 2181**

The purpose of this bill is to support strong growth in the high-technology industry in the state by establishing the Hawaii Innovations Partnership Corporation to:

- (1) Provide research and development grants; and
- (2) Invest in enterprises in the fields of advanced technology, life sciences, and renewable energy.

The High Technology Development Corporation, Hawaii Crop Improvement Association, Hawaii Science and Technology Council, Hawaii Venture Capital Association, Hawaii Biotech, Inc., PacifiCap Group, PacifiCap Management, Inc., TREX Enterprises Corporation, NovaSol, Referentia Systems, Inc., Hawaii Pacific Health, Nanopoint, Enterprise Honolulu, Oceanit, and several concerned individuals supported this bill. The Department of Business, Economic Development, and Tourism, University of Hawaii, and Hawaii Strategic Development Corporation supported the intent of this measure. The Department of Budget and Finance opposed this bill. The Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Reclassifying the Hawaii Innovations Partnership Special Fund and the Hawaii Innovations Partnership Investment Fund as revolving funds;
- (2) Changing the effective date to July 1, 2010, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2181, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2181, H.D. 2.

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

**SCRep. 945-06 Finance on H.B. No. 3115**

The purpose of this bill is to protect Hawaii's consumers by ensuring that the petroleum industry engages in consistent and fair practices. Among other things, this measure:

- (1) Establishes the Petroleum Industry Monitoring, Analysis, and Reporting Program (Program), which requires refiners to submit reports that provide information about refiner expenses and sales to the Public Utilities Commission (PUC);
- (2) Establishes the automated Petroleum Industry Information Reporting System to be maintained by the PUC;
- (3) Establishes the Petroleum Industry Monitoring, Analysis, and Reporting Special Fund (Special Fund);
- (4) Redelineates the types of information that the petroleum industry must provide to the PUC;
- (5) Repeals the gasoline price cap law;
- (6) Makes an appropriation to the Special Fund for the PUC to establish the Program; and
- (7) Makes any misrepresentation or unlawful profiteering by the petroleum industry an unfair trade practice.

The PUC and Aloha Petroleum, Ltd., testified in support of this bill. The Department of Business, Economic Development, and Tourism, The Chamber of Commerce of Hawaii, and Mid Pac Petroleum supported the intent of this measure. The Kokua Council and a concerned individual opposed this measure. The Department of Budget and Finance, Department of Commerce and Consumer Affairs, Western States Petroleum Association, and a concerned individual offered comments.

Your Committee has amended this bill by:

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



As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3115, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3115, H.D. 2.

Signed by all members of the Committee except Representative Stevens.

**SCRep. 946-06 Finance on H.B. No. 2555**

The purpose of this bill is to clarify the manner in which development is to proceed within the Kakaako Community Development District in Honolulu by:

- (1) Authorizing the Hawaii Community Development Authority (HCDA) to issue revenue bonds to implement the approved plans in a portion of Kakaako Makai; provided that the bonds shall only be issued if income from the project is insufficient to cover the project cost;
- (2) Prohibiting the sale of the fee interest in public lands within the district.

Friends of Kewalo Basin Park, Life of the Land, and numerous concerned individuals testified in support of this bill. Several concerned individuals supported this measure with amendments. HCDA offered comments.

Your Committee has amended this bill by:

- (1) Prohibiting the use of revenue bond proceeds on any development in Kakaako Makai that includes a residential project; and
- (2) Making technical, nonsubstantive amendments for consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2555, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2555, H.D. 2.

Signed by all members of the Committee.

**SCRep. 947-06 Finance on H.B. No. 1368**

The purpose of this bill is to remove any doubt concerning the legality of single-family dwellings and projects containing them, in the state Land Use Agricultural District by providing that these developments comply with agricultural use restrictions if they are:

- (1) On lots created prior to this legislation taking effect; or
- (2) Within projects approved by county zoning ordinances and at least partially built as long as they are not on soils primarily classified as A or B by the Land Study Bureau's Detailed Land Classification.

The County of Hawaii's Planning Department, Hawaii Building and Construction Trades Council, AFL-CIO, Hawaii Island Economic Development Board, Inc., Kona Coalition of Concerned Citizens, Hawaii Land Company, Hawaii Commission to Promote Uniform Legislation, Paul Bleck A.I.A., Ltd., Olu Kai, Ltd., Dwyer, Schraff, Meyer, Grant, and Green, and numerous concerned individuals supported this bill. The Kona-Kohala Chamber of Commerce, Hawaii Leeward Planning Conference, and Hawaii Association of Realtors supported the intent of this measure. The City and County of Honolulu's Department of Planning and Permitting supported this bill with amendments. The Windward Ahupua'a Alliance, C & H Farms, Hawaii's Thousand Friends, Life of the Land, Earthjustice, Sierra Club, Hawaii Chapter, Office of Hawaiian Affairs, and numerous individuals opposed this measure. The Department of Business, Economic Development, and Tourism's Office of Planning, Department of Agriculture, Land Use Commission, and a member of the Maui County Council provided comments.

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

Your Committee encourages further discussion and consideration with respect to prospective resolution of the circumstances surrounding allowable dwellings on agricultural district lands with soil classified by the Land Study Bureau's Detailed Land Classification as overall (master) productivity rating class C, D, E, U, or lands not designated as important agricultural lands under Part III of Chapter 205, Hawaii Revised Statutes.

As affirmed by the record of votes of 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. 1368, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1368, H.D. 2.

Signed by all members of the Committee.  
(Representatives Pine and Stevens voted no.)

**SCRep. 948-06 Water, Land, & Ocean Resources on H.C.R. No. 30**

The purpose of this concurrent resolution is to provide an opportunity to revisit certain actions taken by the Hawaii Community Development Authority (HCDA) relating to Kakaako Makai by urging HCDA to immediately rescind any contract or agreement awarded or commitment made to Alexander & Baldwin Properties, Inc., for the development of Kakaako Makai.

The Kewalo Basin Park Association, Save our Kakaako Coalition, Surfrider Foundation, Oahu Chapter, Hui O He'e Nalu, Hui Malama Kakaako Paka, Redwings Memorial Events Committee, and numerous concerned individuals testified in support of this measure,

including two petitions with a total of 90 petitioners. HCDA, Alexander & Baldwin, Inc. (A&B), and two concerned individuals provided comments.

Your Committee has amended this concurrent resolution by:

- (1) Urging the HCDA to also rescind its Request for Proposals that resulted in the selection of A&B as the developer, in addition to any contract or agreement;
- (2) Urging the HCDA to engage all interested stakeholders, particularly those who surfaced in this controversy, to meaningfully participate in the development, acceptance, and implementation of any future plans for the development of Kakaako Makai; and
- (3) Amending the title to read: URGING THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY TO IMMEDIATELY RESCIND BOTH ITS REQUEST FOR PROPOSALS AND ANY CONTRACT OR AGREEMENT AWARDED, OR COMMITMENT MADE, TO ALEXANDER & BALDWIN PROPERTIES, INC., FOR THE DEVELOPMENT OF KAKAAKO MAKAI; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 30, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 30, H.D. 1.

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

**SCRep. 949-06 Public Safety & Military Affairs on H.R. No. 9**

The purpose of this resolution is to request the Department of Defense to submit to the Legislature a homeland security plan for approval to expend federal funds received from the Office of Domestic Preparedness (ODP) and State Homeland Security Program (SHSP).

Several concerned individuals testified in support of this resolution. The Department of Defense provided comments.

Your Committee finds that this resolution will provide accountability for federal ODP and SHSP monies and keep the Legislature and public informed on homeland security issues and concerns.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 9 and recommends its adoption.

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

**SCRep. 950-06 Public Safety & Military Affairs on H.C.R. No. 15**

The purpose of this concurrent resolution is to request the Department of Defense to submit to the Legislature a homeland security plan for approval to expend federal funds received from the Office of Domestic Preparedness (ODP) and State Homeland Security Program (SHSP).

Several concerned individuals testified in support of this concurrent resolution. The Department of Defense provided comments.

Your Committee finds that this concurrent resolution will provide accountability for federal ODP and SHSP monies and keep the Legislature and public informed on homeland security issues and concerns.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 15 and recommends its adoption.

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

**SCRep. 951-06 Finance on H.B. No. 2500**

The purpose of this bill is to provide the Judiciary with the supplemental appropriations and authorizations for its operations and capital improvements for fiscal biennium 2005-2007 by amending the Judiciary Appropriations Act of 2005.

The Judiciary and a concerned individual testified in support of this bill. A concerned individual opposed the measure.

Your Committee has carefully considered the Judiciary's supplemental budget request and sought to provide general funds to further the Judiciary's mission of administering justice in an impartial, efficient, and accessible manner.

Two new and critical initiatives were provided with considerable resources in this supplemental budget:

- (1) \$183,121 for the Court Interpreter Certification Program; and
- (2) \$639,224 for the Probation Modification Project.

Approximately 25 percent of the state's population speaks a language other than English at home. The Judiciary seeks to meet the language interpretation needs of this population within the judicial system. The Court Interpreter Certification Program will provide standardized orientation, screening, testing, and training for those seeking to be court interpreters. This program will ensure that qualified, professional, and ethical interpreters are available for everyone in Hawaii.

The Judiciary has also been seeking innovative solutions to address drug abuse and other violations among those on probation. The Probation Modification Project in the First Circuit provides close supervision, treatment services, and immediate consequences of violations for individuals on probation. The Judiciary has experienced promising results with a small pilot group of high-risk offenders and proposes to apply the methods to a larger population.

Your Committee has also provided:

- (1) \$241,000 to provide additional guardians ad litem for children and attorney services for indigent parents in the Family Court of the First Circuit;
- (2) \$295,780 to enhance and continue substance abuse treatment services in the Family Court Drug Court of the Second Circuit;
- (3) \$45,178 to expand substance abuse treatment services in the Maui Drug Court of the Second Circuit;
- (4) \$92,256 for additional staff in the Domestic Violence Unit of the Third Circuit;
- (5) \$60,000 for a purchase of service to continue operations of the Kauai Teen Court in the Fifth Circuit; and
- (6) \$41,916 for the Office of the Public Guardian in the Judiciary.

In all, your Committee has provided an additional \$2,214,056 in general funds to the Judiciary.

As affirmed by the record of votes of 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. 2500, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2500, H.D. 2.

Signed by all members of the Committee.

#### **SCRep. 952-06 Finance on H.B. No. 1900**

The purpose of this bill is to appropriate supplemental funds for the operating and capital improvement costs of the Executive Branch for fiscal year (FY) July 1, 2006, through June 30, 2007.

Due to a larger-than-anticipated surplus, your Committee, for the first time in many years, began its deliberations without being required to determine what needed to be cut from the budget. With over a decade of pent-up demand for money and services, your Committee found that deciding what to fund was perhaps more difficult and demanding than anticipated. It would have been easy to simply fund as many of the myriad requests as possible, satisfying most, if not all, of the different interests. However, your Committee remained prudent and vigilant in its fiscal deliberations.

Instead, your Committee seized upon this unprecedented opportunity to invest strategically in our future by applying the following guiding principles:

- Investment must be made to ensure that our children will have the skills to compete in the global economy and excel in new industries;
- Investment must be made to maintain the balance between economic growth and open space, diversified agriculture, and ecological diversity;
- Investment must be made to increase energy efficiency and renewability to ensure the availability of energy resources for the future; and
- Investment must be made to support the expansion and sustainability of a diversified economy.

Ten years ago, the Department of Business, Economic Development, and Tourism (DBEDT) issued a report entitled "Restoring Hawaii's Economic Momentum, 1996." The report envisioned a robust economy, an unrivaled natural environment, an educated citizenry, and a unified island state. To attain a robust economy, the report identified the fundamental impediments to Hawaii's growth potential and proposed specific solutions to:

- Promote a positive business environment;
- Encourage new investment to reinvigorate the economic base;
- Reach out through science and technology to new areas of economic growth;
- Focus on Asia and the Pacific;
- Reinforce Neighbor Island economic growth; and
- Invest in education and human resources.

The diverse recommendations made and implemented in 1996 were followed by the initiatives of the Economic Revitalization Task Force in 1997. The centerpieces of those fiscal and non-fiscal initiatives were several major income tax and general excise tax cuts that have saved the people of Hawaii more than \$2,400,000,000 in the intervening years. The cumulative effect of those solutions, in addition to the emergency legislation enacted in response to the terrorist attacks of September 11, 2001, set Hawaii on the path toward economic expansion and the healthy surplus the State currently enjoys.

Despite taxpayers' savings of \$2,400,000,000 in general excise and income taxes, it would have been easy to rescind these tax cuts when the economy was pummeled by the events of September 11, 2001. Instead, the Legislature chose to stay the course and place the state on more solid ground. Necessity required budget cuts that soon found government agencies doing more with less--and being asked to do everything with nothing. Sacrifices were made to ensure our current prosperity.

The magnitude of the current surplus provides the State with a unique chance to make tremendous strides in improving infrastructure that has long suffered from neglect. At the same time, there is an historic opportunity to enhance and invent a continuum of services to ensure long-term economic growth. To that end, your Committee has worked long and hard to create a supplemental budget that:

- Invests in the Department of Education (DOE) and the University of Hawaii (UH) system to fix our public schools and university facilities;
- Provides resources to assist the homeless population and ensure the availability of affordable housing now and in the future;
- Fixes broken irrigation systems and provides incentives to private landowners to enter into partnerships with the State to ensure the long-term viability of diversified agriculture;
- Creates workforce development programs to ensure the state's ability to meet the demands created by a robust job market;
- Reduces the state's reliance on fossil fuels by providing resources to design state buildings using renewable technologies for their energy needs;
- Increases healthcare coverage by increasing efforts to insure more residents and providing critical funding to rural health clinics and hospitals; and
- Protects the people of Hawaii by retrofitting public facilities to serve as emergency shelters during disasters.

Public expectations are high, but the Legislature must remain vigilant and scrutinize how taxpayer dollars are spent. More than a decade of budget cuts has revealed several vulnerabilities in essential services provided by government. Prudence requires that a balanced approach be adopted to:

- Strengthen effective existing programs;
- Retool programs that may have become ineffective; and
- Create new programs to serve the critical evolving needs of the state.

The structural changes made to the tax system, budgeting policies, and critical priorities supported in prior years by the Legislature continue to strengthen the state economy. Your Committee continues to take a prudent and fiscally responsible approach to balancing competing demands for resources in the development of this supplemental budget.

### **Departmental Highlights**

#### **Department of Education**

Over the past several years, the Legislature has worked diligently to ensure that our public schools receive the money they need to provide a quality learning experience for the state's greatest resource--our children. To this end, your Committee provided \$160,000,000 to complete whole school renovations at 96 schools statewide in addition to \$50,000,000 for major repairs and maintenance. These two appropriations will create a learning environment more conducive to student achievement and will help address the backlog of repairs and maintenance at our schools, which amounts to an estimated \$525,000,000. Also included in your Committee's budget is an additional \$1,600,000 to ensure that every public elementary school in the state is furnished with playground equipment to help keep our children active and healthy. In total, your Committee approved an additional \$256,204,000 for improvements to public school facilities.

Besides the additional \$256,204,000 provided for FY 2006-2007 for capital improvements, your Committee also provided \$110,675,197 in operating funds for DOE. This sum represents a \$28,170,983 increase to the Governor's operating budget request for DOE. Together, these amounts total \$366,879,197 in additional support to our public school system.

The Reinventing Education Act of 2004 (Act 51, Session Laws of Hawaii 2004 (Act 51)) mandated a new method of educational funding using the Weighted Student Formula (WSF), which is based on each student's unique characteristics and which follows each student. The WSF is an important departure from the previous method of allocating positions to schools based on enrollment and programs at each school. However, such a fundamental change in funding policy can cause uncertainty and discomfort for the schools and their communities. Thus, your Committee has provided an additional \$20,000,000 to help ease the transition. Your Committee hopes that through the continuing legislative process, all stakeholders can collaboratively determine the best method by which the additional funding will assist in the change.

Your Committee wishes to clarify that this appropriation does not indicate a lack of support for Act 51. Rather, it is an affirmation of the transition period and is provided to assist DOE in effectively implementing this reform of the public school system. Your Committee expects a full accounting by principals to their school community council about how these additional resources will be used.

Your Committee implemented other initiatives to provide students with access to resources that will guide them on the road to higher achievement:

- \$2,000,000 was allocated for more science textbooks and classroom science equipment. These textbooks and equipment must conform with a comprehensive science curriculum to ensure that students across the state will learn according to similar criteria and goals;
- \$175,000 was included to fund the Preliminary SAT (PSAT) for all 10<sup>th</sup> graders. The SAT is crucial for entry into higher education, and the PSAT prepares students for that test. The PSAT also serves as DOE's measure of cumulative academic standing statewide;

- \$500,000 was provided for Advanced Placement (AP) to encourage higher student achievement. These funds will go toward AP teacher training, test costs, and classroom materials; and
- \$1,193,669 for English as a Second Language learners to receive instruction, transitional bilingual support, and multicultural education services. These funds will help Hawaii's immigrant students attain the necessary level of English proficiency required under the No Child Left Behind Act of 2001.

Special education also received additional funding. Updated enrollment projections necessitated a greater number of special education services. Your Committee decided to adequately fund these support services for special education needs, including:

- \$1,951,380 for Occupational Therapists (OT) (\$210,288 more than the Governor's request);
- \$831,894 for Physical Therapists (PT) (\$178,708 more than the Governor's request);
- \$1,634,594 for Special Education (SPED) teachers;
- \$3,839,644 for Speech Language Pathologists (SLP) (\$1,037,244 more than the Governor's request);
- \$430,000 for nursing for the medically fragile; and
- \$1,708,355 for School-Based Behavioral Health (SBBH) services (\$1,356,842 more than the Governor's request).

Even with additional funding for many important areas, there are still some very basic needs that must be addressed. Although these needs are more mundane, they are vitally important:

- Our schools must be able to pay their electricity bills. However, rises in oil prices have increased electricity costs, so your Committee provided \$13,129,901 to sufficiently fund electricity costs for DOE facilities, an amount \$7,749,355 more than the Governor's request;
- Our student transportation system must have the resources to get our children to school, particularly on the Neighbor Islands, where there are no public transportation systems. To ensure adequate transportation services, your Committee provided additional funding of \$9,438,615, \$1,000,000 more than the Governor's request;
- Many public school teachers spend their own money to purchase classroom supplies. Your Committee agrees that individual teachers are most aware of classroom needs and should be provided a method to buy what is needed quickly but not at their own expense. Therefore, your Committee funded a program to provide each teacher with a \$200 debit card to purchase classroom supplies. Based on an estimated 12,000 classroom teachers, your Committee provided \$2,400,000; and
- In an effort to better coordinate the operations of DOE, a decision was made to switch from school calendars that differed from school-to-school to a single uniform school calendar. This conversion required a one-time salary payment adjustment, resulting in traditional 10-month school employees' receiving double paychecks on August 20, 2006, and September 5, 2006, which total \$24,380,143. Your Committee found it imperative to pay this one-time cost of conversion, ensuring that employees are paid for their work.

### University of Hawaii

UH is an important component of our public education system and is instrumental in charting Hawaii's course for the future. Your Committee approved an additional \$119,646,000 in general funds and general obligation (G.O.) bond funds for UH, including approximately \$84,000,000 to address UH's deferred repairs and maintenance. These amounts will address most of the current backlog of repairs and maintenance at UH's facilities, estimated to be \$165,000,000. Furthermore, your Committee approved:

- Over \$12,000,000 to perform necessary health and safety measures system-wide;
- Funds for key UH initiatives, such as:
  - \$37,500,000 for UH's Center for Disease Control facility;
  - \$2,000,000 for the Institute for Astronomy and Advanced Technology Research Center in Kula; and
  - \$5,000,000 for completion of the Science and Technology Building at UH-Hilo (UHH);
- and
- \$2,590,000 for plans and design for a library and learning center at Windward Community College (WCC).

Beyond the additional \$119,646,000 provided for capital improvements in FY 2006-2007, your Committee provided an additional \$39,133,050 in operating funds for UH. The amount of \$158,779,050 demonstrates your Committee's firm commitment to our higher education system.

UH should be our state's greatest resource for job creation and economic development. To that end, your Committee created a supplemental budget designed to promote assets predicated on Hawaii's geographic necessities and advantages. Your Committee bundled the UH budget into three distinct categories: Workforce Development, Economic Development, and Student Support.

The first area of focus is workforce development, and in keeping with the overall theme of education, teacher development is the first priority. Your Committee has provided \$521,000 for this initiative. By encouraging more people to view teaching as a viable career option, your Committee hopes not only to alleviate the current teaching shortage but also to cultivate a renewed culture of learning in Hawaii.

To help train the next generation of educators, your Committee is providing \$120,000 for the implementation of the Teach for America teacher recruitment program. This program will allow 50 more teacher candidates to be added to the workforce every two years. Following graduation from the program, each teacher will be required to stay and teach in Hawaii for at least two years.

Your Committee provided over \$4,700,000 for the establishment of a Construction Academy as a partnership among the UH community colleges, Hawaii high schools, labor unions, and the construction industry to alleviate the state's current shortage of construction workers. Recent increases in federal military spending to modernize facilities and the surge in private developments greatly increase the need for construction workers statewide. The Construction Academy will play an integral role in providing the essential training our people need to fill these voids.

Your Committee recognizes the urgency of being able to address our statewide nursing shortage and facilitate the care of our aging population. Additional resources were provided for nursing programs at Hawaii, Leeward, Maui, and Kauai community colleges. Support was also provided for a Respiratory Therapy and Long-Term Care Program to an already-thriving nursing program at Kapiolani Community College. Moreover, your Committee has added four positions at UHH for nursing education. In total, your Committee provided \$2,162,500 to help address the nursing shortage statewide.

The Travel Industry Management School (TIM) at UH-Manoa (UHM) has been provided \$250,000 to focus on timeshare and fractional mixed-use management, real estate development, resort development, and sales and marketing. A portion of this funding is intended to initiate a comprehensive outreach program to ensure that the benefits of tourism can thrive in all parts of Hawaii. Given the success and national recognition TIM enjoys, your Committee has provided support to one of our greatest geographical advantages, tourism.

Because UH is a major economic engine of the state, your Committee focused on creating and supporting those programs that help develop jobs and new industries for Hawaii.

Your Committee has provided \$1,414,671 for a College of Pharmacy at UHH. This new College of Pharmacy is intended to prevent a potential healthcare crisis by training local residents to become licensed pharmacists. Given our distance from the continental United States and the potentially cost-prohibitive nature of attending and completing a pharmacy program, an investment in the College of Pharmacy is critical.

Due to our state's geographic isolation, it is imperative that Hawaii possess and maintain a first-class medical school. With the recent completion of the new John A. Burns School of Medicine (JABSOM) facilities in Kakaako, the state now boasts facilities that are on par with some of the best on the mainland. Your Committee has provided a one-time appropriation of \$3,000,000 to allow the school some flexibility to deal with the unexpected needs of a new facility and the rising utility costs that could not have been foreseen. This level of support has the potential to reap significant rewards, because JABSOM will be able to attract increased research funding.

The Cancer Research Center of Hawaii (CRCH) is currently one of 61 National Cancer Institute (NCI) designated cancer centers in the nation. It is, therefore, a magnet for research dollars for cancer care in the regions they serve. CRCH barely meets the funding support needed to maintain its NCI designation. Because NCI designation is so important, your Committee has provided \$1,000,000 to aid CRCH in maintaining its status.

The Academy for Creative Media (ACM) is well on its way to establishing itself as a globally competitive media studies program. In its short history, some of its students have won awards at the Hawaii International Film Festival and will even be featured in upcoming *National Geographic* specials about filmmakers of the world. Your Committee has provided ACM with \$240,000 for four new positions to teach Screenwriting and Documentary Film Production, Visual Design and Cinematography, Pre- and Post-Production Technology, and Sound Theory and Design. Given our state's natural beauty and the keen interest of filmmakers to take advantage of this beauty, your Committee recognizes ACM's importance to our state.

Finally, your Committee understands the importance of student services. Nearly one-half of the appropriations for student services are for the continued application of the B-Plus Scholarship and Hawaii Scholars programs, which will receive \$2,500,000 in additional funding. Your Committee also provided \$431,358 for ten positions to increase the number of financial aid officers system-wide. UHM has faced two consecutive years of federal noncompliance audit findings. The requested staff positions are part of a federally negotiated remediation plan that will bring us back into compliance and serve students more efficiently.

According to the chief information officer for UH, the support staff for information technology (IT) throughout the entire UH system is less than half of what comparable institutions have exclusively for their flagship campuses. In response, your Committee provided \$1,226,000 for 20 new positions system-wide to the IT support staff. Your Committee is also converting 38 temporary IT positions to permanent status. These additional resources are meant to put UH on par with its peer institutions.

Your Committee believes students in a university setting should not have to concern themselves with whether the library is open. For this reason, your Committee provided \$100,000 to expand the hours of Hamilton Library by up to 42 hours per week.

#### **Department of Land and Natural Resources (DLNR)**

Protecting Hawaii's natural beauty, resources, and environment is critical to our residents' physical and spiritual health and economic success. Your Committee approved an additional \$8,700,000 to acquire or protect valuable lands. Land and water will also be protected and restored by the approval of \$650,000 to collect baseline data on Hawaii's streams; \$110,000 to restore beach areas; and \$1,850,000 to protect whales, restore nearshore fish species, and support fisheries.

Qualified and dedicated natural resource workers are key to resource protection. A total of 29 new positions totaling \$3,078,000 were added for:

- Park, trail, and small boat harbor maintenance;
- Fishery, forest, and wildlife protection;
- Water monitoring and prevention of marine alien species; and
- Conservation education and enforcement.

The State Auditor recently recommended that DLNR's Division of Conservation and Resources Enforcement (DOCARE) improve its performance through better management, including strategic planning, collaboration with other divisions, development of meaningful performance measurements, and use of technology. DOCARE's 120 employees represent one out of every six DLNR staff. Strategic planning involves how to best stretch limited human resources across 1,300,000 acres of state land, beaches, and 750 miles of coastline. Your Committee provided funds to develop a strategic plan involving all DOCARE employees, considering the enforcement needs of all island branches, and integrating the assistance of other agencies, nonprofit organizations, and community groups. Your Committee also provided six new staff positions, equipment, and resources to improve office-to-field dispatch, field data collection, and field communication systems to enhance officer safety and productivity. Your Committee expects to see improved resource protection performance and management accountability manifested in part by community feedback through surveys. DOCARE must demonstrate it has implemented the State Auditor's recommendations to manage its existing resources well. At that point, measurable improvements in performance will guide future funding decisions.

Together with the Department of Agriculture (DOA) and the Department of Health (DOH), DLNR is responsible for protecting the state's natural resources. With \$4,000,000 in funding for each of the past two years, the Hawaii Invasive Species Council, a collaborative multi-agency system, is now in place to respond to all invasive species outbreaks through prevention, response and control, research and applied technology, and public outreach. Coqui frog infestations on Kauai, Oahu, and Maui are not projected to exceed controllable levels, because funds were allocated when the degree of infestation was still manageable.

On the Big Island, however, coqui frog infestations continued to grow for years because of the lack of resources to control them. Without attempting a major funded effort, it is unacceptable to claim that controlling and eradicating coqui frogs on the Big Island is no longer feasible. Therefore, your Committee has approved \$50,000 for statewide education on coqui frog and invasive species control and eradication and \$1,950,000 for Big Island coqui frog control and eradication by three agencies with distinct responsibilities:

- The County of Hawaii (on residential, business, and county lands);
- DLNR (on state lands); and
- DOA (on agricultural lands and nurseries).

In addition to the intrinsic benefits of controlling coqui frogs, this partnership among government, community, and business will advance the development of models for similar cooperative efforts to address potential future infestations by other invasive species.

#### **Department of Agriculture**

As the coqui frog infestation demonstrates, invasive species' gaining a foothold in Hawaii can endanger our health and economic viability. More importantly, invasive species severely affect Hawaii's endemic species as well as Hawaii's most precious resource, our environment. Controlling and eradicating invasive species after infestation is time-consuming and costly. While keeping invasive species out of our state is a top priority, DOA is understaffed to do the job properly. For example, the federal government employs an inspection staff of 450 to keep the mainland safe from goods being shipped from Hawaii, whereas the State employs 75 inspectors to protect Hawaii from mainland and foreign invasive species. Based on two recent experimental risk assessments at Kahului and Honolulu airports, Hawaii currently is able to detect only one out of 100 invasive species that should be detectable with strategic use of additional resources. The potential harm to Hawaii ranges in the hundreds of millions of dollars if species such as the red imported fire ant, brown tree snake, and biting midges are allowed into our state.

Therefore, your Committee approved a total of \$953,412 to hire 17 additional inspectors to intercept more invasive species at Hawaii's airports and harbors. Your Committee also recommends a continued dialogue with DOA to determine whether more inspectors, facilities, and innovative protocols are needed.

#### **Department of Defense (DOD)**

Your Committee extends its appreciation to all members of our armed forces for their service to our nation. They have made many sacrifices to preserve the freedom that we all cherish. Unfortunately, because of the deployment of key staff, your Committee encountered difficulty in obtaining timely responses for many DOD requests.

According to a recent Pentagon study, nearly one in ten American soldiers who served in Iraq was diagnosed with post-traumatic stress disorder (PTSD). More than one-third of U.S. soldiers received psychological counseling soon after returning from Iraq. PTSD can lead to family strife, alcohol and substance abuse, and unemployment. To assist our returning soldiers, your Committee has appropriated \$33,648 for an additional counselor position to aid recent veterans.

Understanding the importance of homeland security and disaster preparedness, your Committee has approved DOD's request for an additional \$50,000,000 in the federal fund ceiling to address these concerns. However, your Committee expresses reservations, because DOD has not been able to provide a detailed strategic plan for these proposed expenditures. Although secrecy is important to maintain security, accountability for taxpayer dollars must still be preserved. Your Committee is looking forward to working with DOD through the legislative process to develop a method by which accountability can be ensured without sacrificing security.

#### **Department of Human Services (DHS)**

Your Committee expresses its appreciation for the steps taken to improve the quality of life for many of Hawaii's low-income residents. Efforts are being made to help this population achieve self-sufficiency and independence by providing healthcare, work opportunities, and affordable housing.

Your Committee allocated \$3,166,632 in general funds and \$4,462,887 in federal funds for the reinstatement of dental services for many low-income residents. More families will be able to take advantage of medical services as a result of federal funds granted to the State through the expanded QUEST Medicaid Section 1115 waiver program.

Recognizing the homeless crisis in Hawaii, your Committee approved \$20,000,000 to improve homeless shelters and increase services to the homeless population. Efforts are also being made to increase the number of available affordable housing units. An additional \$10,400,000 has been appropriated in H.B. No. 2176 for repair and modernization of vacant units in federal and state public housing projects as well as interim construction loans for self-help ownership housing.

With ongoing difficulties in the child welfare system, your Committee approved additional Temporary Assistance to Needy Families (TANF) funding for child welfare services and \$565,230 for the Child at Risk Evaluation Program. Your Committee anticipates positive results regarding the increased effectiveness of DHS in protecting Hawaii's foster children and helping them find safe homes to live in, either on a temporary or permanent basis.

#### **Department of the Attorney General (AG)**

Your Committee recognizes the importance of high-quality and timely data in the State's Sex Offender Registry (Registry). The data is essential to ensuring that law enforcement knows the location of individuals who have been convicted of sex crimes and crimes against minors. The Registry provides a vital service to the public, informing them about individuals who may reside in their communities. Your Committee also recognizes that new mandates have placed added burdens on those tasked with maintaining the Registry. As such, your Committee added two positions and \$28,832 to provide the Registry with the personnel necessary to ensure this essential mechanism to protect the public is maintained.

#### **Department of Health**

In an effort to ensure that emergency and preventive medical services are provided in rural communities, your Committee increased DOH's base appropriation by \$2,000,000 for purchase of service contracts--\$500,000 each for the Waianae Coast, Kahuku, Hana, and the island of Molokai. Due to the geographic isolation and socioeconomic composition of these rural areas, additional funding is needed to allow residents to seek medical care in their own communities.

To improve the availability of high-quality emergency medical care throughout the state, your Committee provided an additional \$8,683,373 in general funds and \$1,693,658 in special funds for these essential services. These funds will not only allow the State's emergency medical staff to receive the salaries they deserve, it will be used to purchase replacement ambulances, supplies, and other operational needs. In addition, these funds will cover billing services to ensure that collections will be performed in a timely manner as well as help maintain vital 911 dispatch services.

#### **Department of Business, Economic Development, and Tourism**

Your Committee has appropriated \$991,000 in special funds for the Natural Energy Laboratory of Hawaii Authority to support and expand the operations of their leading research, aquaculture, and marine biotechnology facility. The facility provides a venue to expand the state's economy through ocean sciences and ocean technologies. Your Committee recognizes the importance of a diversified economy and believes this appropriation focusing on natural resources advances this effort.

#### **Capital Improvements Program**

For FY 2006-2007, your Committee approved \$1,854,876,000 in all means of financing for capital projects in FY 2006-2007, including \$522,207,000 in G.O. bond-funded appropriations. To address the most pressing needs of the state, your Committee's budget focused on education as the foundation for strong and healthy communities. Your Committee has also appropriated significant funds for important programs that will lead Hawaii confidently into the future, including energy conservation, retrofitting public buildings for use as disaster shelters, and health and safety initiatives statewide.

In light of the devastating effects of Hurricane Katrina, preparedness for natural disasters is of utmost importance, especially for our tourist-dependent island state, which is vulnerable to natural disasters such as tsunamis and hurricanes. To help prepare for these inevitabilities, your Committee provided an additional \$10,000,000 to retrofit public buildings for use as hurricane shelters statewide.

As fuel costs rise around the globe, your Committee is mindful of the state's need to expand its use of alternative energy sources. To this end, your Committee has approved \$10,000,000 for the Department of Accounting and General Services (DAGS) to perform energy conservation improvements at public buildings across Hawaii.

### **CONCERNS**

Although Hawaii's economy continues to grow at a healthy pace, the federal budget proposed by the President continues to be a major concern. Large tax cuts and increased spending for homeland security will increase the federal deficit over both the short and long term. To offset these tax cuts and spending increases, the President's budget proposes to terminate or cut many domestic programs, which primarily affect low- and middle-income Americans. Programs targeted for cuts or termination can be found in areas such as education, environmental protection, and medical research. In all, 141 programs may be cut or terminated in 2007, potentially saving the federal government \$15,000,000,000.

Some of the programs under consideration for termination are:

- The Community Services Block Grant, which funds a wide array of social services for low-income families as well as elderly and disabled individuals;
- The Preventive Care Block Grant, which provides states with resources for health services for the underserved; and
- The Commodity Supplemental Food Program, which for less than \$20 a month, provides food packages to the low-income elderly, the majority of whom are over the age of 75.

In addition, the programs that face severe cuts in the President's budget include:

- The Community Development Block Grant, which will be cut 30 percent in 2007;
- The Child Care and Development Block Grant, which will be cut \$1,003,000,000 over the next five years; and
- The Social Services Block Grant, which will be cut 30 percent in 2007.

Also of concern are the proposed legislative and regulatory changes to Medicaid. These changes will reduce federal Medicaid funding by \$1,500,000,000 and \$12,300,000,000, respectively, over the next five years. Concerning this reduction, the nonpartisan Center on Budget and



Policy Priorities notes, "A substantial majority of these Medicaid changes consist of shifting costs to states, which would likely induce many states to reduce eligibility or scale back health benefits for low-income Medicaid beneficiaries."

Because of these factors, the State must continue to be mindful of the budget proposed by the President and be aware of the potential effects that federal decisions may have on our state budget.

On February 8, 2006, the President signed into law the Deficit Reduction Act of 2005, which included a strict set of new provisions related to the federal TANF program. The Congressional Budget Office estimates the new rules will cost states almost \$2,000,000,000 per year.

Your Committee is particularly concerned about the new work participation rates mandated in the TANF reauthorization. Effective October 1, 2006, each state must meet a 50 percent participation rate for all families receiving assistance and a separately calculated 90 percent participation rate for two-parent families. In its report to the Legislature, DHS indicated that its current participation rate is 35.4 percent, or 2,204 adults out of 6,225. To meet a 50 percent participation rate requirement, an additional 909 adults must find work by October 1, 2006. In a memorandum, the Director of Human Services stated, "We know from the new law that work requirements for TANF recipients will be increased and that a greater percentage of the caseload will need to be engaged in work activities."

Even if Hawaii fails to meet this requirement, the State still holds a balance of \$113,000,000 in federal TANF reserve money as of September 30, 2005. Practical use of the reserves can mitigate the effect federal changes will have on Hawaii's TANF program. However, DHS submitted a supplemental request for a \$35,000,000 increase in their federal fund ceiling to spend down the reserve. Additionally, the majority of the funds were not earmarked for job training programs or other means to increase the state's work participation rate.

Your Committee notes the January 2006 State Auditor's Report on the TANF program, which recommended that "the Legislature consider using its appropriation authority under federal law to guide the department's TANF spending unless adequate changes are made to its planning and accountability practices." The audit also recommended "the department establish a strategic planning process." Although DHS has recently initiated this process, your Committee notes that with changing federal regulations, it would not be prudent to release additional funding for the TANF reserve funds at this time. The Director of Human Services has stated, "Until the new federal rules and regulations and any guidelines are issued, it will be difficult to incorporate the federal changes into our TANF Strategic Plan."

Considering the changes in federal regulations as a result of TANF reauthorization in conjunction with the recent State Auditor's Report, your Committee is advocating a more prudent approach to TANF expenditures. Accordingly, your Committee denied DHS's request for a \$35,000,000 increase in the federal fund ceiling to spend down the TANF reserve. Your Committee believes sensible use of the TANF federal reserve can help Hawaii transition through its reauthorization process. Given the current budgetary surplus, your Committee proposes spending between \$15,000,000 and \$20,000,000 from the reserve, each fiscal year for four years, to eventually maintain a \$40,000,000 "rainy day reserve."

The situation at the Hawaii Youth Correctional Facility (HYCF) is not encouraging. The United States Department of Justice (DOJ) entered into a Memorandum of Agreement (MOA) with the State on February 7, 2006. The MOA requires HYCF to protect incarcerated youth from harm, give them proper access to medical and mental healthcare, and provide special education services as needed. The MOA was designed to mandate a high level of training for all youth corrections officers and their supervisors while protecting high-risk youth from self-inflicted harm or harm from others. Your Committee has provided an emergency appropriation of \$6,818,884 requested in H.B. No. 2371 to ensure that HYCF will provide Hawaii's incarcerated youth with a positive learning and rehabilitation environment, which will, in turn, allow these young people to re-enter society with beneficial life and work skills.

Additionally, your Committee has approved a request for \$1,300,000 for the Safehouse Program to continue to offer a temporary alternative for youth in need of a residential placement more structured than a traditional group home but less severe than incarceration at HYCF.

While the Department of Public Safety (DPS) plays a vital role in protecting the citizenry of Hawaii, your Committee found it difficult to analyze DPS' requests because of a lack of a timely response to questions posed to DPS. Despite the lack of timeliness, however, your Committee had little choice but to approve nearly all of the requests submitted by DPS.

Your Committee recognizes the necessity of DPS to continue housing inmates in mainland facilities. Thus, your Committee approved a total of \$11,743,065 for FY 2006-2007 to send 676 inmates to the mainland. Your Committee has serious reservations about this practice and strongly encourages the Administration to initiate plans that will ultimately allow for Hawaii to return its inmates to the state.

The Oahu Community Correctional Center was the subject of a DOJ investigation into the state of mental health services at the facility. In light of this investigation, your Committee has allocated a significant portion of DPS' supplemental budget to correct the problems identified by the investigation. Although a formal report is forthcoming from DOJ, your Committee believes it is more cost-effective to take corrective action now than to wait for federal action to force compliance.

Your Committee acknowledges that a critical shortage of nurses exists in our state. Higher wages are necessary to compete with the private sector, which is why your Committee approved \$1,041,880 to provide for contract nurses to meet staffing shortfalls within DPS. Despite approving this request, your Committee has concerns about the large number of nursing vacancies as well as the sharp increase in the hourly rate for contract nurses, which rose from \$36 per hour in FY 2002-2003 to the current rate of \$52 per hour. Your Committee encourages DPS to develop partnerships with nursing programs, such as those approved in UH's budget, to aggressively recruit nurses and minimize future expenditures in this area.

In a report on deployed positions that the Governor transmitted to the Legislature on December 28, 2005, there were several positions being deployed to the Office of the Governor and Office of the Lieutenant Governor. The Governor's Office received one position each from DAGS, DHS, DOH, and DPS. In addition, two positions were given by the Department of Transportation to the Governor's Office. The Lieutenant Governor's Office received four positions from DHS and five from DOH.

In State Auditor's Report No. 05-12, the State Auditor noted that six employees were interviewed and hired by the Governor's Office or Lieutenant Governor's Office, yet the salaries for these employees were not paid by either of those offices. It was with this knowledge that your Committee reviewed requests for additional general funds for personnel costs made by the Office of the Governor for \$215,000 and the Office of the Lieutenant Governor for \$198,475.

The resulting requests for additional funding for the Governor's and Lieutenant Governor's offices would seem to be an effort to validate the need for additional employees in these offices. While past administrations have deployed positions from various departments to the Governor's or Lieutenant Governor's offices, your Committee is not aware of other administrations using this flexibility to justify additional positions.

Furthermore, while researching the budgets of these offices, it appears to your Committee that the salaries of several positions in the Governor's and Lieutenant Governor's offices have increased considerably in the past several years, making it seem that funding for certain positions was increased at the expense of others.

Your Committee acknowledges that with additional information, some of its conclusions may evolve. However, information received to date indicates that serious questions remain. Although it is important for the Office of the Governor to run smoothly and efficiently, it is questionable how substantial pay raises, plus the addition of policy analyst positions, make our government more efficient. At this time, your Committee has provided almost full funding for the requests of the Office of the Governor and Office of the Lieutenant Governor for the purpose of keeping these requests open for discussion.

Your Committee has decided not to provide additional funding for marketing efforts for DBEDT, because the return on investment could not be justified. Marketing efforts, such as trade missions, enjoy tremendous private-sector support, and when done properly, these private-public partnerships can provide the State with adequate means to supplement limited public resources. Moreover, in light of recent questions about the propriety of contributions with regard to these trade missions, your Committee finds it difficult to approve additional funding.

Finally, your Committee has concerns with the operations of the Child Support Enforcement Agency (CSEA). Audits have repeatedly shown CSEA has difficulties in fulfilling its mission to Hawaii's children. CSEA positions authorized in FY 2005-2006 have not been filled despite claims these are "essential" to the improvement of CSEA. Your Committee also believes CSEA requested authorization to spend resources on additional studies rather than addressing issues that have already been identified by earlier studies, which is imprudent. Your Committee earnestly hopes CSEA focuses its attention on issues identified by the State Auditor so that it will be able to serve the keiki of Hawaii.

### CONCLUSION

The budget is a complex document, which attempts to balance the different needs and priorities of all the people of the State of Hawaii. Competing needs faced your Committee during its formulation of the budget, requiring difficult decisions to be made. The approach of your Committee is to invest in our future and provide the essential services requested by the community.

Your Committee has proposed a supplemental budget that:

- Improves our schools;
- Aids the homeless;
- Diversifies the economy;
- Increases access to healthcare;
- Strengthens our workforce;
- Preserves the environment; and
- Protects the public.

This draft is just one step in the budget process. Your Committee looks forward to working with the Senate Committee on Ways and Means as well as the Administration to craft the best possible budget for the people of Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1900, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1900, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

#### SCRep. 953-06      Health on S.B. No. 2505

The purpose of this measure is to provide an unspecified appropriation to extend adolescent school-based substance abuse treatment programs to middle and intermediate schools, with priority to schools having the greatest need.

Your Committee finds that the use of alcohol and other drugs by adolescents can lead to dangerous activities, such as reckless driving, premature and unprotected sex, and violence. Substance abuse treatment programs for students help stop these kinds of behavior. These programs provide an effective method to assist adolescents in a timely manner and succeeds in avoiding more costly treatment, avoiding school dropout problems, and producing functional adults.

Although the Department of Health currently provides services that address student abuse of alcohol and other drugs, these programs are not available in all middle and intermediate schools.

This measure appropriates an unspecified amount to extend adolescent school-based substance abuse treatment programs to middle and intermediate schools, with a priority given to schools with the greatest need.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2505, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Education.

Signed by all members of the Committee.

#### SCRep. 954-06      Health on S.B. No. 3231

The purpose of this bill is to regulate individuals offering genetic counseling services.

Specifically, this measure implements a genetic counselors licensure program to:

- (1) Protect those seeking genetic counseling services from incompetent and unscrupulous persons, and persons unauthorized to perform these services;
- (2) Assure the highest degree of professional conduct on the part of genetic counselors; and
- (3) Assure the availability of high quality genetic counseling services.

Your Committee finds that licensure of genetic counselors will ensure the availability of high quality genetic counseling services to consumers in this State.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3231, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

**SCRep. 955-06 Health on S.B. No. 2898**

The purpose of this measure is to establish a chief procurement officer position for the Hawaii Health Systems Corporation.

Your Committee finds that having a chief procurement officer will enable the Hawaii Health Systems Corporation to procure essential medical supplies and equipment in a timely and efficient manner so as to not jeopardize patient care and safety.

Your Committee has amended this measure by changing its effective date to December 31, 2099.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2898, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2898, S.D. 2, H.D. 1, and be referred to the Committee on Labor & Public Employment.

Signed by all members of the Committee.

**SCRep. 956-06 Health/Transportation on S.B. No. 2504**

The purpose of this bill is to ensure a smooth process for persons with disabilities to receive appropriate parking by requiring the State to reimburse counties for issuing parking placards to persons with disabilities. This bill also directs the Auditor to conduct a cost analysis.

The Disabilities and Communication Access Board (DCAB) and State Council on Developmental Disabilities supported this bill.

Your Committees have amended this bill by:

- (1) Reinstating the provision that allows DCAB to charge for replacement of temporary disabled-parking placards;
- (2) Inserting an appropriation of \$51,180;
- (3) Deleting the counties as the agencies that would receive the funds;
- (4) Making the Department of Health's DCAB the expending agency; 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 Transportation that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2504, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2504, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 957-06 Water, Land, & Ocean Resources on S.B. No. 2360**

The purpose of this bill is to protect Hawaii's natural environment by requiring:

- (1) Vessels grounded on state submerged lands, shorelines, or coral reefs to be removed immediately by the owner or operator of the vessel at their expense;
- (2) Vessels grounded on a sand beach, sandbar, or mudflat and not in imminent danger of breaking up to be removed within 72 hours, unless otherwise agreed to by the Department of Land and Natural Resources (DLNR); and
- (3) Vessel owners or operators to assume sole responsibility for damage to state or private property caused by a grounded vessel.

This bill also establishes provisions for DLNR to assume control of certain grounded vessels.

DLNR, the Office of Hawaiian Affairs, and a concerned individual testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2360, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 958-06 Water, Land, & Ocean Resources on S.B. No. 3077**

The purpose of this bill is to facilitate the acquisition of Land Having Value as a Resource to the State (Resource Value Lands).

Specifically, this measure:

- (1) Establishes and assigns responsibilities to a Legacy Land Conservation Commission (Commission) to advise and make recommendations to the Department of Land and Natural Resources (DLNR) and Board of Land and Natural Resources (BLNR) in administering the Land Conservation Fund and acquiring Resource Value Lands;
- (2) Establishes criteria for prioritizing (priorities) those Resource Value Lands that should be acquired;
- (3) Incorporates the priorities into the process of developing and periodically updating the Resource Value Land Acquisition Plan (Acquisition Plan);
- (4) Provides for legislative disapproval of land acquisition; and
- (5) Requires DLNR to submit to the Legislature an annual report listing the acceptance or rejection by BLNR of the Commission's advice and recommendations.

C&H Farms and Windward Ahupua'a Alliance testified in support of this bill. DLNR and the Hawaii Agriculture Research Center opposed this measure. The Department of Agriculture, The Nature Conservancy, and The Trust for Public Land offered comments.

Your Committee has amended this bill by:

- (1) Deleting the Commission;
- (2) Requiring BLNR and DLNR to notify and consult with the Senate President and Speaker of the House of Representatives regarding:
  - (A) The Acquisition Plan;
  - (B) Resource Value Lands being considered for acquisition;
  - (C) Resource Value Lands being recommended for acquisition; and
  - (D) Grants provided to state agencies, counties, and nonprofit land conservation organizations for purchase or acquisition of interests or rights in Resource Value Lands;
- (3) Deleting the provision enabling the Legislature to disapprove of land acquisitions;
- (4) 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 S.B. No. 3077, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3077, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 959-06 Water, Land, & Ocean Resources on S.B. No. 3084**

The purpose of this bill is to facilitate the appraisal required to acquire Lands Having Value as a Resource to the State (Resource Value Lands) by allowing the Attorney General (AG):

- (1) To review, approve, and accept an existing appraisal if:
  - (A) The appraisal was completed within six months before the Board of Land and Natural Resources approves the acquisition of the Resource Value Land; and
  - (B) The AG finds that the appraisal was performed in accordance with accepted professional standards;
 or
- (2) To contract for independent appraisals from no more than three disinterested appraisers; and
- (3) In the case of the purchase of any lands by the State, after consultation with the Department of Land and Natural Resources (DLNR) or another independent appraiser, determine than the purchase of the land at a price higher than the appraisal may be justified.

The Nature Conservancy of Hawaii supported this bill with amendments. DLNR and The Trust for Public Lands commented on this measure.

Your Committee has amended this bill by:

- (1) Placing the provisions of this bill into Chapter 173A, Hawaii Revised Statutes, relating to Resource Value Lands, since the provisions are intended to apply to Resource Value Lands;
- (2) Increasing to one year the period of time that an existing appraisal will remain effective for consideration by the State;
- (3) Replacing the role of the AG under this bill with the State; and
- (4) Making technical, nonsubstantive amendments for clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3084, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3084, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 960-06 Water, Land, & Ocean Resources on S.B. No. 3110**

The purpose of this bill is to preserve beach park land on Maui by appropriating funds to purchase Waiehu Beach Park which currently consists of 1.6 acres of beachfront property.

The Department of Land and Natural Resources did not support this bill.

Your Committee finds that Waiehu Beach Park is currently leased from Wailuku Agribusiness by Maui County and has been offered up for sale. While purchase of the park may be an endeavor that may have long-range environmental preservation goals, your Committee finds that the State's purchase of an active recreational park may be inappropriate as this generally falls within the jurisdiction of the counties. Nevertheless, your Committee finds that the benefits of saving Waiehu Beach Park for public use deserves further discussion and consideration.

Accordingly, to encourage further discussion, your Committee has amended this measure by:

- (1) Changing the price quote which Wailuku Agribusiness offered the land to the County of Maui from \$750,000 to an unspecified amount; and
- (2) Changing its effective date to July 1, 2020.

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

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3110, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3110, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 961-06 Transportation on S.B. No. 2385**

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) and Honolulu Police Department testified in support of this bill.

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 of which 13, or 36.1 percent, occurred while the pedestrian was within a crosswalk.

Pedestrians are also at risk from drivers who fail to heed traffic signals at intersections. 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. Your Committee finds that establishing a red light photo enforcement program at intersections will enhance the safety of pedestrians at crosswalks with lighted signals.

Accordingly, your Committee has amended this measure by inserting language that:

- (1) Authorizes that fines collected under county-administered programs are to be deposited into a general fund special account;
- (2) Authorizes that funds from this general fund account may only be expended by the county and 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;
- (3) Improves enforcement of traffic signal laws by establishing a photo red light imaging detector systems program that:

- (A) Allows county implementation of photo red light imaging detector systems programs;
  - (B) Establishes 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;
  - (C) Makes the intentional disclosure or intentional provision of personal and confidential information obtained from a photo red light imaging detector system to any unauthorized person or agency subject to a fine;
  - (D) Specifies that proof of receipt by the owner from the post office that the summons or citation was received is prima facie evidence of notification to the registered owner; and
  - (E) Allows a registered owner to rebut evidence presented against the registered owner by stating or showing that the registered owner was not the driver or by identifying the driver of the vehicle at the time of the offense;
- (4) Appropriates an unspecified amount of funds for the implementation of the photo red light imaging detector systems program; and
  - (5) Provides a purpose section.

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

While your Committee notes that these are first steps in increasing highway safety, especially for pedestrians, there are other methods that DOT may use to increase pedestrian safety, including a pedestrian flag project and increased public service announcement campaigns. Your Committee urges DOT to examine alternative forms of increasing pedestrian safety and implementing these ideas whenever possible.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2385, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2385, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

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

#### **SCRep. 962-06 Tourism & Culture on S.B. No. 2974**

The purpose of this bill is to maintain the operational efficiency of the Hawaii Tourism Authority (HTA) by extending the repeal date of certain powers and requirements of the HTA to June 30, 2011. This bill, among other things, extends the repeal date to June 30, 2011, of the following provisions:

- (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) HTA's authority to appoint a sports coordinator;
- (6) The provision that establishes that all interest and revenues or receipts derived by HTA from projects or project agreements shall be deposited into the Tourism Special Fund (TSF); and
- (7) The increase, to 5 percent from 3.5 percent, in TSF funds that may be used for administrative expenses.

HTA and the Hawaii Hotel & Lodging Association supported this bill. The Attorney General opposed this bill in part.

As affirmed by the record of votes of the members of your Committee on Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2974, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Ching.

#### **SCRep. 963-06 Health on S.B. No. 2166**

The purpose of this bill is to allow certain minors to consent to the provision of medical care and services if it is determined that the minor has sufficient mental capacity to understand the nature and consequence of the proposed medical care and services and if the medical care and services are for the minor's benefit.

The Waikiki Health Center, Planned Parenthood of Hawaii, Hawaii Primary Care Association, Hawaii Youth Services Network, Healthy Mothers, Healthy Babies, Coalition of Hawaii, Hale Kipa, Blueprint For Change, Hawaii Medical Association, and a concerned individual supported this bill. The Queen's Medical Center and Kaiser Permanente supported this measure with amendments. Hawaii Family Forum, Hawaii Catholic Conference, and a concerned individual opposed this bill. The Consumer Lawyers of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Clarifying that medical care and services, as provided by this bill, may be administered by any registered or licensed health care practitioner;
- (2) Defining:
  - (A) Licensed or registered health care practitioner;
  - (B) Preventive medical care and services; and
  - (C) Primary care and medical services;
- (3) Defining "medical care and services" as the diagnosis, examination, and administration of medication in the treatment of venereal diseases, pregnancy, and family planning services;
- (4) Providing for a minor who is living without parental, custodial, or guardian supervision to consent to primary or preventive medical care and services; and
- (5) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2166, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2166, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

**SCRep. 964-06 Health on S.B. No. 2364**

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 the Screening, Briefing, Intervention, Referral, and Treatment (SBIRT) program in the State of Hawaii.

The Office of the Lieutenant Governor, Department of the Attorney General, Department of Human Services, Office of Youth Services, Mothers Against Drunk Driving, Hawaii Chapter, Hawaii Psychiatric Medical Association, Hawaii Disability Rights Center, Hawaii Substance Abuse Coalition, and a concerned individual supported this bill. The Department of Health and the University of Hawaii supported the intent of this measure. The Department of Commerce and Consumer Affairs supported this bill with amendments. A concerned individual provided comments.

Your Committee has amended this bill by:

- (1) Removing the provisions specifying that the two pilot project sites be located at:
  - (A) A major urban trauma center in Honolulu; and
  - (B) A Neighbor Island acute care hospital that:
    - (i) Has a high volume of emergency department trauma traffic;
    - (ii) Has a high percentage of substance use co-morbidity in the emergency department population; and
    - (iii) Is in close proximity to medical or allied medical educational facilities at or above the community college level;
- (2) Inserting an appropriation of \$1,883,987 to be used for operating costs, including positions and implementation of the SBIRT 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 S.B. No. 2364, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2364, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

**SCRep. 965-06 Water, Land, & Ocean Resources on S.B. No. 2358**

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

- (1) Providing for procedures to establish and collect administrative fines for violations of forest reserve laws, which, among other things, prohibit the destruction of timber growing on forest reserves of the State; and
- (2) Increasing the criminal fine from \$1,000 to \$2,000, and an additional \$2,000 imposed for every tree illegally destroyed or harvested.

The Nature Conservancy testified in support of this bill. The Department of Land and Natural Resources and Hawaii Forest Industry Association supported this measure with amendments.

Your Committee has amended this bill by:

- (1) Inserting language from H.B. No. 2396, H.D. 1, that:
  - (A) Allows all revenue derived from forest reserves, including fines for violations, to be deposited into the Forest Stewardship Fund (Fund); and
  - (B) Allows the statutorily authorized portion of the conveyance tax deposited into the Fund to be used for the management of the Forest Reserve System, in addition to the Forest Stewardship Program; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2358, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2358, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 966-06 Water, Land, & Ocean Resources on S.B. No. 2574**

The purpose of this bill is to expand the types of documents that a vessel owner may provide to obtain a permit or permit renewal to include:

- (1) A vessel inspection report that is no more than two years old; or
- (2) A current United States Coast Guard commercial vessel certificate of inspection.

The Department of Land and Natural Resources, Ocean Tourism Coalition, Maui Dive Shop, Aqua Lung, and a concerned individual testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2574, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 967-06 Water, Land, & Ocean Resources on S.B. No. 2412**

The purpose of this bill is to provide liability protection for public entities and county lifeguard services by:

- (1) Making permanent, statutory language that establishes conclusive presumptions regarding the duty of public entities to warn beachgoers of dangers at public beach parks; and
- (2) Extending the exception to liability for county lifeguard services for an additional two years.

The Department of Land and Natural Resources, Department of the Attorney General, Mayor of the County of Hawaii, a member of the Maui County Council, Chairperson of the Kauai County Council, Department of the Corporation Counsel of the City and County of Honolulu, Hawaii State Association of Counties, Hawaiian Lifeguard Association, and Honolulu Emergency Services Department testified in support of this bill. The Consumer Lawyers of Hawaii submitted comments.

Your Committee has amended this measure by:

- (1) Changing the effective date of Section 7 of Act 190, from July 1, 1996, to upon approval;
- (2) Repealing the sunset provision on the exception to liability for county lifeguard services; 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 S.B. No. 2412, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2412, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 968-06 Energy & Environmental Protection on S.B. No. 2357**

The purpose of this measure is to improve the State's wildlife conservation law.

Specifically, this bill removes the sunset date on the use of new safe harbor agreements, habitat conservation plans, and incidental take licenses as recovery options for conserving and protecting the State's endangered species.

The Department of Transportation, the Department of Land and Natural Resources, the Hawaii Forest Industry Association, the Hawaii Farm Bureau, and the Hawaii Agriculture Research Center submitted testimony 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 S.B. No. 2357 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 and Harbin.  
(Representative Thielen voted no.)

**SCRep. 969-06 Health on S.B. No. 2917**

The purpose of this bill is to ensure fair and equitable pricing of healthcare insurance premiums by allowing the health insurance rate oversight provided by the Insurance Commissioner to continue indefinitely. Specifically, this bill repeals the sunset date of June 30, 2006, that was established in 2002.

The Department of Commerce and Consumer Affairs, Hawaii Business League, Summerlin Life and Health Insurance Company, Hawaii State Teachers Association, Hawaii Chapter of the American Physical Therapy Association, Hawaii Association of Realtors, and Hawaii Psychiatric Medical Association supported this bill. Kaiser Permanente, Hawaii Medical Service Association, and Hawaii Pacific Health opposed this measure.

Your Committee heard conflicting views on the value of rate regulation of the healthcare insurance industry in Hawaii, and feels that a more conclusive decision could be reached in this controversial matter if more concrete data were available to show the effects of Act 74, Session Laws of Hawaii 2002. A study that shows the impact that this 2002 legislation had on health insurance rates in the past four years would be an extremely valuable tool in discovering the best possible solution to this matter. To assist in such an undertaking, your Committee has amended this bill by:

- (1) Extending the sunset date to June 30, 2010; and
- (2) Making technical, nonsubstantive changes for clarity, consistency and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2917, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2917, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

**SCRep. 970-06 Health on S.B. No. 3279**

The purpose of this bill is to allow physicians who are subject to a medical malpractice lawsuit to make a benevolent gesture of sympathy without fear of it being used as evidence of fault in the lawsuit.

Kaiser Permanente, Healthcare Association of Hawaii, and Hawaii Pacific Health supported this bill. The Department of Commerce and Consumer Affairs, Consumer Lawyers of Hawaii, Hawaii Association of Health Plans, and Hawaii Medical Association provided comments.

Your Committee recognizes that Hawaii's medical physicians face many difficult situations in their career, especially when things go wrong in the performance of their duties and a physician may face a career-altering lawsuit. This atmosphere of fear causes many physicians to avoid our State's most critically deficient specialty practices such as obstetrics, gynecology, and trauma care. It has become increasingly difficult to attract qualified medical physicians to Hawaii, especially to our rural, medically underserved areas.

Creative solutions to attract physicians to practice where shortages occur have been used in some states such as New Jersey where a three-year pilot program has been implemented that offers medical malpractice premium assistance to help defray the cost of practicing medicine because the threat of litigation is high. Hawaii should institute such measures, as well as using the Trauma Care Fund, currently being considered in House Bill No. 3142, as a source of funding to provide such assistance to physicians and attract medical specialty practitioners to our state.

Your Committee finds that further study on the impact of similar legislation in other states would be of great value in determining such a measure's effectiveness in easing the burden on our medical physicians and making Hawaii a more attractive place to practice medicine.

Your Committee has amended this bill by replacing its contents and inserting provisions that aid in finding solutions to Hawaii's shortage of specialty-practice physicians in medically underserved areas. As amended, this bill reforms the healthcare liability system for resolving healthcare liability claims and for compensating injured patients by:

- (1) Capping to \$500,000, non-economic damages in medical tort actions against obstetricians, obstetrician gynecologists, and trauma care providers;
- (2) Preventing attorneys representing someone in a medical tort action from collecting contingency fees in excess of:
  - (A) Forty percent of the first \$50,000 recovered;
  - (B) Thirty-three and one-third percent of the next \$50,000 recovered;
  - (C) Twenty-five percent of the next \$500,000 recovered; and
  - (D) Fifteen percent of any amount recovered which exceeds \$600,000;
- (3) Providing for the assessment of a percentage of negligence or other fault of all parties in a medical tort action;
- (4) Stipulating a proportionate payment of economic and noneconomic damages based on the percentage of negligence assessed;

- (5) Expanding the definition of a "health care" or "healthcare" provider to include a wide range of health care professionals;
- (6) Amending the definition of "medical tort";
- (7) Requiring the Insurance Commissioner to report to the Legislature annually on the effectiveness of this measure; and
- (8) Including a sunset-date of June 30, 2012.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3279, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3279, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

**SCRep. 971-06 Human Services on S.B. No. 2861**

The purpose of this bill is to establish the Federal Revenue Maximization Program Revolving Fund to be used to collect and disburse revenue for Medicaid-eligible services provided to public school students.

The Department of Human Services and Department of Education testified in support of this bill.

Your Committee has amended this bill by changing the effective date to July 1, 3000, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2861, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2861, S.D. 2, H.D. 1, and be referred to the Committee on Education.

Signed by all members of the Committee except Representative Stonebraker.

**SCRep. 972-06 Human Services on S.B. No. 2161**

The purpose of this bill is to provide additional protection to foster children through the establishment of a Foster Children's Bill of Rights.

The Hawaii Youth Services Network, Legal Aid Society of Hawaii, Hawaii Disability Rights Center, and numerous concerned individuals testified in support of this bill. The Hawaii Foster Youth Coalition supported this measure with an amendment. The Department of Human Services did not support this bill. The Office of Hawaiian Affairs offered comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (2) Making 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 S.B. No. 2161, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2161, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Stonebraker.

**SCRep. 973-06 Human Services on S.B. No. 2162**

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 foster children.

The Hawaii Youth Services Network, Hawaii Foster Youth Coalition, Legal Aid Society of Hawaii, and numerous concerned individuals testified in support of this bill. DHS and Hawaii Insurers Council offered 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) Allowing the Director of Human Services to assign a designee to sign and verify the application for a driver's license;
- (3) Indemnifying DHS from liability in the event the foster child is involved in an accident or 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 S.B. No. 2162, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2162, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Stonebraker.

**SCRep. 974-06 Human Services on S.B. No. 2323**

The purpose of this bill is to require the Judiciary to work with the Department of Human Services (DHS) to establish a federal revenue maximization program for services provided to those children under the jurisdiction of the District and Family Courts who are eligible for federal reimbursement.

DHS testified in support of this bill. The Judiciary opposed this measure.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2323, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Stonebraker.

**SCRep. 975-06 Human Services on S.B. No. 2688**

The purpose of this bill is to improve services at Hawaii Youth Correctional Facilities (HYCF) by:

- (1) Requiring the implementation of policies, procedures, protocols, and a quality assurance program to ensure adequate HYCF staff training and standards;
- (2) Providing for comprehensive assessments of all persons committed to HYCF; and
- (3) Revising the duties and responsibilities of regional advisory boards.

The Hawaii Juvenile Justice Project and Hawaii Youth Services Network testified in support of this bill. The Office of Youth Services supported the intent of this measure.

Your Committee has amended this bill by deleting its contents and replacing it with provisions to enhance the delivery of juvenile justice services. As amended, this bill establishes the Hawaii Juvenile Justice Commission within the Department of Human Services to oversee HYCF and the Office of Youth Services.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2688, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2688, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Stonebraker.

**SCRep. 976-06 Human Services/Health on S.B. No. 3253**

The purpose of this bill is to find solutions to Hawaii's impending care crisis by establishing a Joint Legislative Committee on Family Caregiving (Family Caregiving Committee) to:

- (1) Develop a comprehensive public policy;
- (2) Consider providing support in various areas related to caregiving;
- (3) Seek input from other agencies, departments, and stakeholders; and
- (4) Submit its findings and recommendations to the Legislature no later than 20 days prior to the convening of the Regular Session of 2007.

This bill also appropriates funds for the Family Caregiving Committee to carry out its duties.

Kooua Council, the Hawaii Division of the National Multiple Sclerosis Society, and Policy Advisory Board for Elder Affairs testified in support of this bill. The Department of Human Services and Executive Office on Aging supported the intent of this measure.

Your Committees have amended this bill by:

- (1) Changing the effective date to July 1, 3000, 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 Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3253, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3253, S.D. 1, H.D. 1, and be referred to the Committee on Legislative Management.

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

**SCRep. 977-06 Energy & Environmental Protection/Water, Land, & Ocean Resources on S.B. No. 3168**

The purpose of this measure is to allow the counties to grant, sell, or otherwise dispose of easements for chilled water and seawater distribution systems for renewable energy seawater air conditioning district cooling systems by negotiation without public auction.

Honolulu Seawater Air Conditioning, LLC and the Hawaii Renewable Energy Alliance submitted testimony in support of this measure.

Your Committees have amended this measure by changing its effective date from July 1, 2050, to upon its approval.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3168, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3168, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 978-06 Energy & Environmental Protection on S.B. No. 3182**

The purpose of this measure is to reduce the presence of methyl tertiary-butyl ether in gasoline sold or imported in the State to levels no greater than .15 volume per cent by January 1, 2009.

Your Committee received testimony in support of this measure from the Department of Health and Aloha Petroleum, Ltd. The Department of Agriculture submitted testimony in opposition to this measure. The Western States Petroleum Association offered comments.

Your Committee amended this measure by limiting the requirement of filing certified statements relating to the content of methyl tertiary-butyl ether in gasoline to refiners and persons importing gasoline into the State.

Your Committee further requests that, while the measure addresses the untimely filing of a certified statement, the next committee deliberating on this measure address the issue of the liability of a distributor that makes any false representations in a certified statement.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3182, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3182, S.D. 2, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

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

**SCRep. 979-06 Energy & Environmental Protection/Water, Land, & Ocean Resources on S.B. No. 3170**

The purpose of this measure is to enhance Hawaii's capacity to produce and use renewable energy resources.

Specifically, this measure expands the definition of "renewable energy producer" to include thermal energy that is sold to customers of district cooling systems for the purposes of leasing public lands.

Honolulu Seawater Air Conditioning LLC and the Hawaii Renewable Energy Alliance testified in support of this bill.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3170, S.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 980-06 Agriculture on S.B. No. 2485**

The purpose of this bill is to encourage agricultural development on important agricultural lands (IALs) by allowing the Department of Budget and Finance to issue special purpose revenue bonds to assist agricultural businesses operating on IALs.

The Department of Agriculture, University of Hawaii, Hawaii Agriculture Research Center, Hawaii Farm Bureau Federation, Maui County Farm Bureau, Land Use Research Foundation of Hawaii, Meadow Gold Dairies, and the Pineapple Growers Association of Hawaii supported this bill. The Department of Budget and Finance supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2485, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 981-06 Human Services/Health on S.B. No. 3219**

The purpose of this bill is to streamline the process of placing individuals in community-based facilities by directing the Department of Health (DOH) and Department of Human Services (DHS) to maintain an inventory of all community-based care facilities licensed or certified under their respective jurisdictions and the vacancies in those facilities.

The State Council on Developmental Disabilities and Hawaii Disability Rights Center testified in support of this bill. DHS and the Department of Education supported the intent of this measure. DOH did not support this bill.

DOH expressed concerns regarding the cost of implementing 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 S.B. No. 3219, S.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 982-06      Tourism & Culture on S.B. No. 2667**

The purpose of this bill is to improve the enforcement and regulation of the importation, storage, sale, and use 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, County of Hawaii Fire Department, Honolulu Police Department, and Legislative Information Services of Hawaii supported this bill.

As affirmed by the record of votes of the members of your Committee on Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2667, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Ching.

**SCRep. 983-06      Tourism & Culture on S.B. No. 3114**

The purpose of this bill is to encourage litter control, environmental beautification, and recycling efforts by appropriating funds for the Community Work Day Program from the following sources:

- (1) Seventy-five percent of funds from the Deposit Beverage Container Deposit Special Fund (Special Fund); and
- (2) Twenty-five percent of funds from the Hawaii Tourism Authority's (HTA's) statewide Product Enrichment Program Fund (Enrichment Fund).

The Department of Health and a concerned individual supported this bill. The Windward Ahupua'a Alliance supported the intent of this measure. HTA opposed this bill. The Hawaii Hotel & Lodging Association submitted comments.

Your Committee notes that HTA's Enrichment Fund may not be an appropriate source of funding for the Community Work Day Program.

Your Committee has therefore amended this bill by:

- (1) Removing HTA's Enrichment Fund as a source of funding for the appropriation, making the Special Fund the sole source of funding; 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 S.B. No. 3114, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3114, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ching.

**SCRep. 984-06      Consumer Protection & Commerce on S.B. No. 770**

The purpose of this bill, as received, is to improve regulation of mortgage brokers by transferring responsibility for the licensing and regulation of mortgage brokers from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs (DCCA), to the Division of Financial Institutions (DFI) of DCCA.

The Hawaii Bankers Association, Hawaii Financial Services Association and Primerica supported the intent of this bill. The DCCA Commissioner of Financial Institutions supported the intent of the bill and recommended amendments. The Office of Information Practices offered comments. The Mortgage Bankers Association of Hawaii, Hawaii Association of Mortgage Brokers, and a concerned individual opposed the bill.

Your Committee finds that the DFI is responsible for overall supervision of the financial services industry and has the expertise to oversee the financial services provided by mortgage brokers.

Upon further consideration, your Committee has amended this bill by replacing its substance with that of H.B. No. 2316, a bill that your Committee and the Committee on Judiciary heard jointly earlier this session. As amended, the bill repeals the existing mortgage broker law and establishes a new chapter that increases consumer protections against predatory lending practices, including:

- (1) Providing for regulation of mortgage brokers by the Commissioner of Financial Institutions;

- (2) Restricting state regulation to mortgage brokers who deal in residential mortgage loan transactions;
- (3) Eliminating regulation of mortgage solicitors, persons who perform mortgage broker functions and are employed or controlled by a mortgage broker;
- (4) Allowing a mortgage broker's license to be revoked based on the actions of any officers, directors, employees, partners, and members of the licensee;
- (5) Requiring prelicensing testing and criminal background checks;
- (6) Establishing continuing education and periodic testing requirements; and
- (7) Increasing the required bond from \$15,000 to \$50,000.

This bill also differs from the S.D. 2 in that it becomes effective on July 1, 2050.

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. 770, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 770, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Caldwell, Kanoho, Morita, Sonson and Stonebraker.

**SCRep. 985-06      Housing on S.B. No. 2571**

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, UniDev, LLC, League of Women Voters of Hawaii, and Hawaii Reserves, Inc., testified in support of this bill. The Department of Budget and Finance supported the intent of this measure.

Your Committee notes that although testifiers supported this measure, several stated that there may not be a need for a constitutional amendment to implement the provisions of S.B. No. 2572, which establishes the manner and procedure for the issuance of SPRBs for affordable housing development.

Although your Committee agrees that a constitutional amendment is not necessary, it supports the passage of this bill as a precautionary measure. Additionally, your Committee recognizes concerns that SPRBs for affordable housing development are currently limited to not-for-profit developers, but wishes to take a cautious approach before expanding the issuance of SPRBs to for-profit developers. Not-for-profit developers have generally taken the initiative to develop affordable housing over for-profit developers.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2571 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 and Halford.

**SCRep. 986-06      Housing on S.B. No. 2572**

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 Office of the Governor, Land Use Research Foundation of Hawaii, UniDev, LLC, and Hawaii Reserves, Inc., testified in support of this bill. The Department of Budget and Finance and Hawaii Association of Realtors supported the intent of this measure.

Your Committee recognizes the concerns that this measure is limited to not-for-profit developers. The Joint Legislative Housing and Homeless Task Force (Task Force) found that the development of affordable housing is generally undertaken by not-for-profit developers. However, your Committee is open to offering the opportunity to for-profit developers to apply for SPRBs, but is taking a cautious approach because of the Task Force's findings.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2572, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Kawakami, Sonson and Halford.

**SCRep. 987-06      Housing on S.B. No. 2076**

The purpose of this bill is to allow, for the 2007 taxable year, a fee owner to exclude from taxable income 50 percent of the gain realized from the sale of the leased fee interest in a residential leasehold house lot or multi-family residential leasehold unit to the lessee of the house lot or unit. The exclusion may not exceed \$75,000 in the aggregate for all taxpayers.

The Hawaii Association of Realtors supported the intent of this bill. The Hawaii Council of Associations of Apartment Owners, Monarch Properties, Inc., and Date Laau Community Association and Iolani Banyan Coop., did not support this measure. The Department of Taxation, Tax Foundation of Hawaii, and Hawaii Independent Condominium & Cooperative Owners offered comments.

Your Committees notes that many of the testifiers stated that although they did not support this measure in its current form, they were supportive of S.B. No. 2076, S.D. 1.

Accordingly, your Committee has amended this bill by:

- (1) Changing the exclusion amount to 100 percent of the gains realized from the sale of the leased fee interest;
- (2) Applying the exclusion to the sale of a leased fee interest in a multi-family residential leasehold property to an association of apartment owners or the residential cooperative corporation of a multi-family residential leasehold property;
- (3) Removing the \$75,000 cap on the aggregate exclusion amount for all taxpayers;
- (4) Applying the exclusion to the 2007 to 2011 taxable years; 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 Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2076, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2076, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Kawakami, Sonson and Halford.

**SCRep. 988-06 Energy & Environmental Protection on S.B. No. 2145**

The purpose of this measure is to promote the coordination of the State's environmental justice activities and require a comprehensive review of the State's existing environmental impact statement process.

More specifically, this measure:

- (1) Provides funding to the Environmental Council to hire a program director to coordinate the State's environmental justice activities, including defining "environmental justice", adopting a guidance document to address environmental justice, making recommendations to update the environmental impact statement process, and conducting outreach activities; and
- (2) Provides funding to be expended by the Department of Health to enable it to contract with the University of Hawaii Environmental Center to perform a comprehensive review of the environmental impact statement process.

The Office of Environmental Quality Control, the Conservation Council for Hawaii, and two concerned citizens submitted testimony in support of this measure. The University of Hawaii Environmental Center offered comments.

Your Committee notes that it has been fifteen years since a comprehensive review of the State's environmental impact statement process was last conducted. In these fifteen years, numerous changes have occurred in the theory and practical application of environmental management.

Your Committee has amended this measure by:

- (1) Clarifying that the Environmental Council shall contract with a consultant rather than hire a program director to facilitate and coordinate the State's environmental justice activities;
- (2) Requiring the University of Hawaii Environmental Center to submit its comprehensive review to the Legislature not later than twenty days prior to the convening of the 2008 Regular Session;
- (3) Clarifying that the funds appropriated by this measure for a comprehensive review of the environmental impact statement process shall be expended by the Department of Health to enable it to contract with the University of Hawaii Environmental Center for this purpose; and
- (4) Making technical nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2145, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2145, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 989-06 Energy & Environmental Protection on S.B. No. 3105**

The purpose of this measure is to extend the reverse vending machine rebate program and expand its application to persons who are not dealers or recyclers.

Specifically, the measure accomplishes this purpose by:

- (1) Extending the period in which the installment of a reverse vending machine qualifies for the rebate program from December 31, 2005, to December 31, 2007;
- (2) Establishing a separate rebate program for persons who are not dealers or recyclers and fixes the rebate amount at fifty per cent of the actual cost of the reverse vending machine; and
- (3) Extending the reverse vending machine rebate program from June 30, 2006, to June 30, 2010.

Testimony in support of the measure was received from the Department of Health and Reynolds Recycling.

Your Committee finds that the measure provides an incentive for persons who are not dealers or recyclers to make reverse vending machines available to the public. Additional reverse vending machines will increase consumer convenience with regard to the deposit beverage container law and help to further reduce the negative impacts of solid waste on our communities and the environment in general.

Your Committee has amended the measure by:

- (1) Deleting the proposed separate rebate program for persons who are not dealers or recyclers;
- (2) Including these persons within the existing rebate program;
- (3) Changing the rebate ceiling from an aggregate of \$3,000,000 per fiscal year to a total of \$3,000,000 for the entire life of the rebate program;
- (4) Deleting the existing fixed values of the rebates that are based on square footage of a retail site and replacing those values with a fixed rebate value of fifty per cent of the actual cost of the reverse vending machine;
- (5) Shortening the proposed extension of the reverse vending machine rebate program from June 30, 2010, to June 30, 2008; and
- (6) Making technical nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3105, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3105, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 990-06 Legislative Management on S.B. No. 2156**

The purpose of this bill is to explicitly authorize the Office of the Auditor (Auditor) to examine and inspect all files and documents of the Department of Taxation (DOTAX), including the tax returns of any taxpayer, for the purposes of carrying out its auditing or other investigative duties.

The Auditor testified in support of this bill. DOTAX opposed this measure. The Tax Foundation of Hawaii offered comments.

Although the Auditor has broad authority to examine the files and documents of all departments, the Attorney General has concluded that this authority is not sufficient to overcome confidentiality provisions governing DOTAX. This bill will explicitly authorize the Auditor to have access to confidential tax returns.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2156, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 991-06 Economic Development & Business Concerns on S.B. No. 2909**

The purpose of this bill is to ensure that counties and county agencies make sound and thorough decisions on applications for county permits, licenses, and approvals by allowing counties or county agencies to adopt an ordinance that exempts the county as a whole or the county agency from the automatic permit approval law. Automatic approval occurs after government agencies fail to take timely action to grant or deny an application for a permit, license, or approval.

The County of Hawaii, Planning Department of the County of Hawaii, Conservation Council for Hawaii, Sierra Club, Hawaii Chapter, and Hawaii's Thousand Friends testified in support of this bill. The Land Use Research Foundation of Hawaii opposed this measure.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2909, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 992-06 Economic Development & Business Concerns on S.B. No. 2222**

The purpose of this bill is to amend the State's tax laws to allow Hawaii to participate in the Streamlined Sales and Use Tax Agreement (SSUTA), a project undertaken with other states that is intended to simplify sales and use tax administration as it relates to multiple sales and use tax rates, definitions, and taxing jurisdictions.

Specifically, this bill:

- (1) Moves the implementation of the tax rate for wholesale transactions to a new chapter;
- (2) Adds a new chapter on the taxation of imports of property, services, and contracting;
- (3) Moves the 0.15 percent tax on insurance producers to a new chapter; and



- (4) Eliminates the tax on businesses owned by disabled persons.

The committee created by Act 3, Special Session, Session Laws of Hawaii of 2005 (Act 3), to review the SSUTA; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; Hawaii Association of Realtors; and Retail Merchants of Hawaii testified in support of this bill. The Department of Taxation (DOTAX), Tax Foundation of Hawaii, and National Federation of Independent Business offered comments.

Under current law, only vendors who are physically present in the state are required to collect and remit tax on taxable sales in that state. As a result, the Legislature finds that Hawaii has lost approximately \$112,000,000 in state and local revenues due to the inability to capture tax revenues from mail-order, catalog, electronic commerce transactions, and other vendors who exist beyond Hawaii's boundaries.

In response to this, the Legislature enacted chapter 255D, Hawaii Revised Statutes (HRS), also known as the Hawaii Simplified Sales and Use Tax Administration Act. This Act essentially authorized DOTAX to participate in the SSUTA and provided conditions to participate. The State of Hawaii, and other participating states, must pass implementing legislation that simplifies and creates uniform policies that conform to the requirements of the SSUTA.

The Legislature also enacted Act 3 to:

- (1) Require legislative concurrence for DOTAX to enter into the SSUTA; and
- (2) Request DOTAX and three designees to identify issues that needed resolution for orderly implementation of the SSUTA and create legislation.

Amending Hawaii's tax laws to conform to the requirements of the SSUTA will provide increased tax revenues to local businesses who sell products outside of Hawaii. However, your Committee notes numerous concerns resulting in the implementation of SSUTA policies, such as:

- (1) Sourcing – Currently, there is no decision about whether taxes will be assessed according to the product's point of origin or destination. Furthermore, the different general excise tax rates between the City and County of Honolulu and three Neighbor Island counties will result in a complex system of differing tax revenues depending on where the tax is assessed;
- (2) Outsourcing – The complexities and higher costs of assessing new taxes may deter companies from establishing businesses in the United States and the State of Hawaii; and
- (3) Hawaii businesses and consumers, who rely on products from the mainland, will be negatively impacted by the new taxes.

Accordingly, your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 3000, 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 Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2222, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2222, S.D. 2, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee except Representative Ching.  
(Representative Marumoto voted no.)

#### **SCRep. 993-06      Environmental & Protection on S.B. No. 2049**

The purpose of this measure is to streamline procedures for removing derelict vehicles.

This bill repeals the criterion of "ten model years or older" from the definition of derelict vehicle to ensure that the due process rights of the owners of those vehicles are protected.

This bill also changes references to the Housing and Community Development Corporation of Hawaii to the Hawaii Public Housing Administration in conformity with Act 196, Session Laws of Hawaii 2005.

The City and County of Honolulu, the Mayor of Maui County, and the Windward Ahupuaa Alliance submitted testimony in support of this measure. The Attorney General commented on this measure.

Your Committee has amended this measure by:

- (1) Inserting a purpose section to clarify the intent of this measure;
- (2) Deleting the references to previous registration from the definition of derelict vehicle;
- (3) Clarifying that the head of the Hawaii Public Housing Administration is the Executive Director, and not the Director; and
- (4) Making technical nonsubstantive amendments for clarity, consistency, and style.

Your Committee also notes that the procedural due process concerns raised by the Attorney General merit further discussion by your Committee on Judiciary. However, by retaining references to previous registration from the definition of derelict vehicle, it places an undue burden on the counties, as the county would have to store the derelict vehicle until notification of the previous registered owner. This results in

incurion of additional and often unnecessary costs. It was clarified by testifiers that these vehicles are inoperable, stripped of substantial parts, and usually located in public areas. Your Committee finds that it therefore is unlikely that due process issues would be raised.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2049, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2049, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 994-06 Energy & Environmental Protection on S.B. No. 2679**

The purpose of this measure is to regulate the use of hazardous wastes, including recycled hazardous wastes, in fertilizers, agricultural minerals, soil amendments, auxiliary soil and plant substances, liming material, and animal feed.

This measure also requires the Department of Health to establish a labeling program for products derived from hazardous wastes.

In testimony before your Committee, the Department of Health noted that setting appropriate standards for hazardous substances requires more research, as well as consultation with agencies, such as the state Department of Agriculture and the United States Environmental Protection Agency, and affected and interested parties, such as the agricultural and consumer communities.

Your Committee agrees that time is needed to set appropriate standards and that these consultations are necessary. However, your Committee also believes that action should be taken to minimize the harm that may be caused by waste-derived products while these standards are being developed and adopted. This can be accomplished by establishing a temporary prohibition against the manufacture or import into the State of hazardous waste-derived products.

Further, your Committee respectfully recommends that the Committee on the Judiciary look into establishing penalties for the proposed temporary prohibition.

Accordingly, your Committee has amended this measure by:

- (1) Establishing a temporary prohibition against the manufacture or import into the State of any fertilizers, agricultural minerals, soil amendments, auxiliary soil and plant substances, liming material, or animal feed, effective from January 1, 2007 to June 30, 2009;
- (2) Requiring the Director of Health to adopt rules, no later than July 1, 2009, to develop and implement a regulatory program for hazardous waste-derived products that:
  - (A) Incorporates more stringent standards than the applicable standards established by the United States Environmental Protection Agency and the Association of American Plant Food Control Officials;
  - (B) Limits imports of waste-derived products, recyclable materials, and hazardous substances to those that meet the more stringent standards;
  - (C) Informs consumers of the presence of any hazardous or waste-derived substance in a fertilizer; and
  - (D) Regulates recyclable materials that are hazardous waste;
- (3) Deleting provisions relating to the labeling program for waste-derived products;
- (4) Deleting from the definition of "waste-derived product" the exclusion of biosolids, biosolids-derived products, domestic septage, domestic wastewater treatment facility solids, reclaimed water, and treated effluents;
- (5) Adding definitions for "fertilizer", "liming material", "non-RCRA hazardous waste", and "soil amendment"; and
- (6) Making technical nonsubstantive amendments for the purposes of clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2679, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2679, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 995-06 Energy & Environmental Protection on S.B. No. 3181**

The purpose of this measure is to amend the definition of deposit beverage container to include sizes up to sixty-eight fluid ounces.

Your Committee received testimony on a proposed House Draft 1 of this measure. The purpose of the proposed House Draft is to establish penalties for violation of the deposit beverage container program. This measure would also deposit all penalties and fines for violations of the program into the deposit beverage container deposit special fund and provide that those moneys may be expended only upon appropriation by the legislature.

The Sierra Club and the Conservation Council for Hawaii supported this measure. The Department of Health supported this measure with amendments and Anheuser-Busch supported the intent of this measure. The Retail Merchants of Hawaii submitted testimony in opposition.

Your Committee has amended the proposed House Draft by:

- (1) Inserting as Part I of this measure the contents of House Bill No. 1948, H.D. 1, the purpose of which is to:

- (a) Require distributors to report container numbers sold and make fee payments on that basis;
  - (b) Specify redemption center minimum operating hours;
  - (c) Permit calculation of refund value by container count in certain instances;
  - (d) Allow redemption centers to refuse to pay the refund value for deposit beverage containers that exhibit the characteristics of having been previously "processed and baled";
  - (e) Change the container volume in the definition of "deposit beverage container" from sixty-four fluid ounces to sixty-eight fluid ounces;
  - (f) Move 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; and
  - (g) Require dealer redemption centers to operate for at least five hours per week on Saturday or Sunday;
- (2) Deleting the proposed section 342G- (b)(3), Hawaii Revised Statutes, because the conduct involved is covered by other parts of the measure and chapter 342G, Hawaii Revised Statutes, and because it may not warrant a criminal sanction; and
- (3) By making technical nonsubstantive changes for purposes of clarity and consistency.

Your Committee notes that it offered the proposed House Draft 1 of this measure to begin the discussion of criminal prosecution of persons or businesses whose intent is to defraud the program. Based upon the testimony received by your Committee, it is this Committee's understanding that additional work needs to be done to further clarify the language in this measure to achieve that intent and to ensure that this language is consistent with existing language in the Penal Code.

Your Committee recognizes the concerns raised in the testimony received from beverage distributors and retailers. The intent of this measure is not to penalize minor violations of the deposit beverage container program, which can be addressed by administrative rule. Instead, this measure is intended to establish criminal penalties in cases in which there is a major intent to defraud.

Therefore, your Committee looks forward to working with your Committee on Judiciary, as well as the Department of Health and the Attorney General, in further addressing this issue as the bill moves through the legislative process.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3181, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3181, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 996-06 Health on S.B. No. 218**

The purpose of this bill is to address the shortage of paramedics in the State by assisting paramedics who wish to advance in their field by completing a state-qualified mobile intensive care technician program.

Specifically, the bill appropriates an unspecified amount of funds to the Department of Health to establish an emergency medical technician training stipend program to assist ten students per year who are public or private emergency medical technicians and who lack access to a training program.

The Acting Chancellor of Kapiolani Community College, a member of Maui's emergency medical services advisory committee, and a number of emergency medical technicians testified in support of the bill. The Department of Health supports the measure, provided it does not adversely impact priorities in the Department's executive supplemental budget.

Your Committee finds that a recent poll of emergency medical service providers statewide confirmed an immediate shortage of paramedics and an anticipated need of two hundred fifty mobile intensive care technicians over the next five years. Currently, it is extremely difficult for emergency medical technicians, particularly those who work and live on the neighbor islands, to complete the extensive mobile intensive care technician training. Recent events have demonstrated the importance of trained emergency responders. This measure will help reduce the shortage by providing financial support for students to complete the training required to qualify as mobile intensive care technicians.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 218, S.D. 4, 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 Representatives Arakaki and Cabanilla.

**SCRep. 997-06 Health on S.B. No. 2132**

The purpose of this bill is to help pregnant women who suffer from the horrible addictive effects of drugs by establishing a pilot clinic to address Hawaii's current lack of facilities equipped 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 pilot clinic will provide this care at one location, and the care will include non-judgmental substance use counseling, parenting classes, social service resources, and legal services.

The Department of Human Services, Kapiolani Medical Center for Women and Children, MothersCare for Tomorrow's Children, Healthy Mothers, Healthy Babies, Coalition of Hawaii, Planned Parenthood of Hawaii, Hawaii Chapter of the American Academy of Pediatrics, Blueprint for Change, American College of Obstetricians and Gynecologists, District VIII, Hawaii Section, Hawaii Psychiatric Medical

Association, Drug Policy Action Group, Hawaii Substance Abuse Coalition, Community Alliance on Prisons, and several concerned individuals supported this bill.

Your Committee has amended this bill by:

- (1) Removing health plans and insurers as supplemental funding sources for the pilot perinatal clinic;
- (2) Deleting the specification that for Medicaid reimbursement, only:
  - (A) A licensed physician may provide prenatal and postpartum care; and
  - (B) A licensed physician or advanced practice registered nurse provide delivery care and service;
- (3) Inserting an appropriation of \$400,000 for the pilot perinatal clinic and case management services; 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 S.B. No. 2132, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2132, S.D. 2, H.D. 1, and be referred to the Committee on Higher Education.

Signed by all members of the Committee.

**SCRep. 998-06 Public Safety & Military Affairs/Legislative Management on S.B. No. 2949**

The purpose of this measure is to ensure the rights and safety of inmates who are housed at contracted correctional facilities.

Specifically, the measure provides the Office of the Ombudsman the authority to investigate out-of-state, private, or federal correctional facilities that have contracts with the Department of Public Safety to house Hawaii's inmates.

The American Civil Liberties Union of Hawaii provided testimony in support. The State of Hawaii Office of the Ombudsman offered comments on this measure.

Your Committees note that the Office of the Ombudsman has suggested a number of amendments and concerns regarding this measure and the role of the Ombudsman, several of which involve legal issues. Your Committees believe that many of these suggestions merit further discussion and requests the Committee on Judiciary to give them due consideration.

As affirmed by the records of votes of the members of your Committees on Public Safety & Military Affairs and Legislative Management that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2949, S.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Chong, Shimabukuro, Souki, Takai, Halford and Stonebraker.

**SCRep. 999-06 Public Safety & Military Affairs on S.B. No. 2243**

The purpose of this measure is to allow a person acquitted of a crime because of a physical or mental disease, disorder, or defect excluding responsibility to request a DNA analysis of evidence that resulted in the acquittal.

The measure also extends the requirement of immediate testing or analyses for purposes of law enforcement identification to all incarcerated felons and provides the Department of Attorney General with more flexibility with respect to the administration of test and analysis results.

Your Committee received testimony in support of this measure from the Department of Public Safety, the Prosecuting Attorney of the City and County of Honolulu, and the Honolulu Police Department.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2243, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 1000-06 Public Safety & Military Affairs on S.B. No. 2214**

The purpose of this measure is to increase the State's readiness and capability to provide appropriate response to disasters or emergencies.

Specifically, the bill improves the State's ability to provide a timely disaster response by:

- (1) Establishing the civil defense disaster preparedness special fund and making an appropriation to the fund from the hurricane reserve trust fund to be expended by the Director of Civil Defense for disaster preparedness planning and response;
- (2) Requiring hospitals, nursing homes, and hotels to prepare disaster preparedness plans to provide adequate emergency shelter for patients, guests, and staff;

- (3) Requiring the Department of Health to conduct a study to assess the structural integrity of all hospitals and nursing homes in Hawaii;
- (4) Requiring the counties to identify, designate, and maintain areas to be used for temporary emergency shelters for the homeless and makes an appropriation therefor;
- (5) Making an appropriation to increase the number of safe emergency shelters in the community;
- (6) Allowing the Governor, on declaring an emergency, to release funds from the emergency and budget reserve fund to provide emergency assistance to residents and businesses in the State;
- (7) Increasing the amount of funds available from the major disaster fund in the event of a major disaster or emergency from \$1,000,000 to \$2,000,000;
- (8) Requiring the Departments of Education and Defense to assess the disaster-worthiness of Department of Education facilities designated as emergency shelters, making an appropriation to retrofit facilities in need of upgrades, and identify sites for new emergency shelters;
- (9) Establishing a rebuttable presumption that electric transmission lines will be placed underground in tsunami-prone areas; and
- (10) Reordering the provisions of the bill to organize them under separate parts relating to disaster preparedness concerning planning and assessment, and response.

Your Committee finds that this bill is particularly timely, in light of the damage suffered by residents, businesses, and farmers in the State as a result of recent heavy and continuing rains and floods. The events of a few minutes can cause massive devastation. Timely, effective response to natural disaster is clearly a priority to protect the residents of this State. Your Committee believes this bill would assist the State to properly and effectively prepare for and respond to disasters and emergency.

Your Committee has amended this bill by:

- (1) Establishing a prepared emergency response commission and setting forth the qualifications for commission members and the duties of the commission;
- (2) Requiring the disaster preparedness emergency shelter plan to include suitable arrangements for sheltering pet animals in public shelters; and
- (3) Making technical nonsubstantive changes 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 S.B. No. 2214, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2214, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

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

#### **SCRep. 1001-06 Public Safety & Military Affairs on S.B. No. 1311**

The purpose of this measure is to authorize a three-year pilot project that allows the Judiciary to assume supervision and control over inmates in correctional facilities who qualify for the drug court program.

The Judiciary, Community Alliance on Prisons, and several concerned individuals testified in support of this bill. The Department of Public Safety and the Office of the Public Defender did not support the bill. The Department of the Prosecuting Attorney offered comments.

Your Committee believes that rehabilitation programs aimed at preparing incarcerated individuals for life in the "real world" are critical to the well being of the community.

Your Committee has amended this measure 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 Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1311, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1311, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

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

#### **SCRep. 1002-06 Education/Health on S.B. No. 3273**

The purpose of this bill is to improve the process by which public school students are assessed and treated for substance abuse by amending the zero tolerance policy (Policy) for drugs and alcohol in public schools, including:

- (1) Making permanent the provisions that allow a child who violates the Policy to return to school earlier than indicated in the original disciplinary determination;

- (2) Allowing certified substance abuse counselors to conduct assessments to qualify individuals for substance abuse-related insurance benefits; and
- (3) Implementing other amendments to the Policy as suggested by the Student Substance Abuse Assessment and Treatment Advisory Task Force.

The Department of Education, Department of Commerce and Consumer Affairs, Hina Mauka, Hawaii Substance Abuse Coalition, and a concerned individual testified in support of this bill. The Department of Health (DOH) and Kaiser Permanent Hawaii supported the intent of this measure. The Hawaii Medical Service Association offered comments.

Upon consideration, your Committees have amended this bill by replacing its entire contents with the language of H.B. No. 2212 H.D. 2. As amended, 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 10 days of the request for a determination if the applicant faces disciplinary action for violating the Policy for drugs and alcohol in public schools, and allows an insurance or health care plan carrier to contract with DOH to complete the determination;
- (3) Requires public schools to use a department-approved screening tool to screen students who face substance abuse-related discipline to determine if a need exists for a substance abuse assessment referral;
- (4) Mandates 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;
- (5) 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 child's age, and whether the child is a repeat offender;
- (6) Clarifies that the expungement of disciplinary records for certain first-time violators of the Policy means the records are segregated and kept confidential, not destroyed; and
- (7) Makes permanent the provisions that allow a child who violates the Policy to return to school earlier than indicated in the original disciplinary determination;

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 S.B. No. 3273, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3273, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

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

#### SCRep. 1003-06 Water, Land, & Ocean Resources/Legislative Management on S.B. No. 2476

The purpose of this bill is to assert greater legislative oversight on the disposition of state lands by requiring a legislative concurrent resolution approving land dispositions by the Agribusiness Development Corporation (ADC), Hawaii Community Development Authority (HCDA), High Technology Development Corporation (HTDC), University of Hawaii (UH), and Housing and Community Development Corporation of Hawaii (HCDCH).

Save Our Kaka'ako Makai, Life of the Land, Surfriider Foundation Oahu Chapter, and numerous concerned individuals testified in support of this bill. The Save Our Kaka'ako Coalition and Friend's Of Kewalo Basin Park Association supported the measure with amendments. The Office of Hawaiian Affairs and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO supported the intent of this bill. The University of Hawaii System, UH-West Oahu, HCDCH, HCDA, and General Growth Properties, Inc. opposed, in whole or in part, this measure. HTCD, ADC, Affordable Housing and Homeless Alliance, and The PacificResource Partnership submitted comments.

After careful consideration of the ramifications of this matter, your Committees have amended this bill by:

- (1) Only subjecting HCDA's land dispositions to legislative oversight and deleting ADC, HTDC, UH, and HCDCH from the scope of this measure;
- (2) Amending and restating the exceptions to the legislative land disposition oversight to read:
  - (A) Dispositions of land to any government agency;
  - (B) Road improvements;
  - (C) Remnant parcels as defined in section 171-52(a);
  - (D) The reserved housing program;
  - (E) Grants of easement; and
  - (F) Temporary month-to-month permits; and
- (3) Expressly prohibiting residential project on state lands in Kakaako Makai.

Your Committees have further amended this measure by adding a section to make changes to section 171-99, Hawaii Revised Statutes, relating to beneficiaries of nine hundred and ninety-nine year homestead leases, certificates of occupations, right of purchase leases, and cash freehold agreements by:

- (1) Providing a priority of successors to the interest of a deceased beneficiary who dies intestate; and
- (2) Permitting a beneficiary who had an interest canceled, terminated, or forfeited due to outstanding arrearages to apply to the Board of Land and Natural Resources to have the interest reinstated upon payment of the arrearages.

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

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 S.B. No. 2476, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2476, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 1004-06 Economic Development & Business Concerns on S.B. No. 2897**

The purpose of this bill is to simplify the procurement process by:

- (1) Raising the small purchases ceiling from \$25,000 to \$50,000, to correspond to the reality of the costs of goods, services, and construction.
- (2) Requiring small purchase procurements under \$50,000 to be:
  - (A) Solicited and transacted electronically over the Internet; and
  - (B) Made using pre-qualified lists of vendors from whom bids or offers are solicited randomly;
- (3) Exempting the Department of Budget and Finance from the Procurement Code when administering special purpose revenue bonds issued for health care facilities, manufacturing enterprises, processing enterprises, industrial enterprises, energy projects, early childhood education and care facilities, and private nonsectarian and sectarian schools, colleges, and universities.

Hawaii Pacific Health, The Queen's Health Systems, and Hawaiian Electric Company, Inc., Maui Electric Company, Limited, and Hawaii Electric Light Company, Inc., testified in support of this bill. The State Procurement Office, American Council of Engineering Companies of Hawaii, Masa Fujioka & Associates, Hawaii Health Systems Corporation, Coalition of Hawaii Engineering and Architectural Professionals, Akinaka & Associates, Ltd., American Society of Civil Engineers, Sansei Architects, Control Point Surveying, Inc., MK Engineers, Ltd., Kai Hawaii, Inc., Engineering Solutions, Inc., and Finance Insurance, Ltd. supported this measure with amendments. The Finance Department of the County of Hawaii and Hawaii Building and Construction Trades Council, AFL-CIO opposed this bill. The Department of Accounting and General Services offered comments.

Your Committee has amended this bill by:

- (1) Adding a new part, that prohibits government contracts from requiring construction design professionals to defend the governmental body from negligent acts, errors, or omissions committed by the governmental body; 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 S.B. No. 2897, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2897, S.D. 2, H.D. 1, and be referred to the Committee on Legislative Management.

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

**SCRep. 1005-06 Economic Development & Business Concerns on S.B. No. 2406**

The purpose of this bill is to improve the permit-approval process by providing that a delay by a board or commission in granting or denying an application for business- or development-related permits, licenses, or approvals within a set period of time shall not automatically result in the approval of that application if the delay was caused by the lack of quorum, a tie vote, or other vote with less than a majority of the full membership of the board or commission voting to approve the application.

The County of Hawaii Planning Department, Conservation Council for Hawaii, and Sierra Club-Hawaii Chapter, testified in support of this bill. Hawaii Reserves, Inc., Hawaii Association of Realtors, Hawaii Building and Construction Trades Council, AFL-CIO, and Land Use Research Foundation of Hawaii opposed this measure.

Opponents of this bill testified that the automatic approval provision provides timeliness and certainty in the permitting process. On the other hand, supporters of this bill argued that applications should not be decided by an inconclusive vote or by default.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2406, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 1006-06 Health on S.B. No. 3283**

The purpose of this measure is to appropriate an unspecified amount to develop and maintain a statewide comprehensive health care workforce map and database.

The State Health Planning and Development Agency, the Hawaii Medical Association, the Hawaii Medical Service Association, and an individual physician testified in support of the measure.

Your Committee finds that there is a growing shortage of healthcare professionals in Hawaii. As the general population ages, so does the health care workforce, which exacerbates the growing shortage of healthcare professionals. Also, low reimbursement rates, challenging work conditions, medical malpractice insurance costs, and other issues continue to hamper the recruitment and retention of healthcare professionals.

This measure addresses these concerns by providing the means for the State Health Planning and Development Agency to develop and maintain a statewide comprehensive healthcare workforce map and database to:

- (1) Compile and analyze existing data on healthcare professionals in the State;
- (2) Develop a plan to collect and systematically update this data; and
- (3) Project and develop a plan to meet future healthcare workforce needs.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3283, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 1007-06 Health on S.B. No. 940**

The purpose of this bill is to provide for the expedient and thorough resolution of medical care coverage disputes by:

- (1) Allowing for review of ERISA-covered managed care plan coverage disputes by an independent review organization, and review of non-ERISA plans by an external review panel; and
- (2) Requiring the Insurance Commissioner (Commissioner) to retain a nonprofit organization as a state health consumer advocate.

The Hawaii Disability Rights Center and a concerned individual supported this bill. The Department of Commerce and Consumer Affairs, Kaiser Permanente, Hawaii Medical Service Association, and Hawaii Association of Health Plans opposed this measure.

In an effort to allow further discussion between the major parties affected by this bill, your Committee has replaced the language in this measure with similar language from House Bill No. 2318 (2006), which is more agreeable to all parties involved and will allow them to work out further details in improving this bill.

As amended, this bill, among other things:

- (1) Provides for an exemption from state procurement laws in hiring an independent medical expert or independent review organization;
- (2) Requires an estimate of the amount in controversy be provided by a managed care plan within seven days after receipt of a request for external review;
- (3) Deletes the provision requiring the Commissioner to retain a nonprofit organization as a state health consumer advocate;
- (4) Changes the effective date to the date of this Act's approval; and
- (5) Makes technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 940, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 940, S.D. 2, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee except Representative Cabanilla.

**SCRep. 1008-06 Health/Human Services on S.B. No. 3277**

The purpose of this measure is to ensure that quality health care is being provided by nurse aides to patients at state licensed and state certified health care facilities.

Specifically, this measure establishes certification and re-certification procedures for nurse aides employed in these health care settings.

Testimony in support of this measure was submitted by the Department of Health, Department of Commerce and Consumer Affairs, Department of Human Services, and the Hawaii Long Term Care Association.



As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3277, S.D. 2, 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 Halford and Stonebraker.

**SCRep. 1009-06 Health/Human Services on S.B. No. 2227**

The purpose of this measure is to require reimbursement of telehealth services, unless a patient lacks an existing relationship with a health care provider.

"Telehealth" means the use of telecommunications services (e.g. video conferencing, web-based communication etc.) for the purpose of delivering enhanced health care services and information to parties separated by distance.

Your Committee finds that this measure will provide enhanced and improved medical services by making medical expertise not available locally more affordable and more accessible to patients.

Your Committee has amended the measure by:

- (1) Clarifying the definition of "telehealth" which excludes communication made by telephone, facsimile, or email; and
- (2) Defining "health care provider" for purposes of consistency with federal law.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2227, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2227, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 1010-06 Health/Human Services on S.B. No. 2563**

The purpose of this bill is to provide assistance to Medicare and Medicaid recipients by:

- (1) Appropriating funds to add positions for the operation and delivery of Sage PLUS program (Program) services on the neighbor islands;
- (2) Appropriating funds to recruit and train volunteers to augment the Program staff, and for operating costs of the neighbor island Program staff; and
- (3) Converting current Program employees to civil service positions.

The Executive Office on Aging supported the intent of this bill.

Your Committees have amended this bill by:

- (1) Removing the provisions establishing additional positions;
- (2) Removing the provisions converting Program employees to civil service positions; 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 Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2563, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2563, S.D. 1, H.D. 1, and be referred to the Committee on Labor & Public Employment.

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

**SCRep. 1011-06 Health/Human Services on S.B. No. 2724**

The purpose of this bill is to extend the continuum of care for children with developmental delays by providing services from ages three to five by:

- (1) Requiring the Department of Health (DOH) to establish a program to meet the needs of these children; and
- (2) Appropriating funds for DOH to develop such a program.

Kapiolani Medical Center for Women & Children testified in support of this bill. DOH supported the intent of this measure. The Department of Education did not support this bill. The Hawaii Early Intervention Coordinating Council offered comments.

Your Committees note that several testifiers recommended the establishment of a task force to provide recommendations for the most effective means of providing services to children ages three to five with developmental delays.

Accordingly, your Committees have amended this bill by:

- (1) Replacing the directive to DOH to develop a program for children aged three to five with developmental delays and establishing a task force to research, design, and develop an implementation plan;

- (2) Appropriating \$75,000 for the task force to fulfill its duties; 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 Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2724, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2724, S.D. 2, H.D. 1, and be referred to the Committee on Education.

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

**SCRep. 1012-06 Health on S.B. No. 2139**

The purpose of this bill is to ensure the health and safety of sexually active youth by requiring recipients of state funding that provide information or offer programs regarding sex information to provide medically accurate, factual information that is age-appropriate and includes information on both abstinence and contraception.

Planned Parenthood of Hawaii, Healthy Mothers, Healthy Babies, Coalition of Hawaii, Community Alliance on Prisons, Hawaii Women's Coalition, Hawaii Youth Services Network, and several concerned individuals supported this bill. The Department of Education supported the intent of this measure. The Hawaii Family Forum, Hawaii Catholic Charities, Try Wait Program, Right to Life, and several concerned individuals opposed this bill.

Your Committee has amended this bill by providing an exemption from teaching about birth-control methods other than abstinence to organizations that are required to only teach abstinence.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2139, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2139, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Cabanilla and Halford.  
(Representative Green voted no.)

**SCRep. 1013-06 Education on H.R. No. 32**

The purpose of this resolution is to urge the President of the United States, United States Congress, and United States Department of Education to support the goals of the No Child Left Behind Act (NCLB) by increasing funds for federal education initiatives and affording more flexibility to states in relation to NCLB.

The Department of Education and Communities for Quality 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 concurs with the intent and purpose of H.R. No. 32 and recommends its adoption.

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

**SCRep. 1014-06 Education on H.C.R. No. 46**

The purpose of this concurrent resolution is to urge the President of the United States, United States Congress, and United States Department of Education to support the goals of the No Child Left Behind Act (NCLB) by increasing funds for federal education initiatives and affording more flexibility to states in relation to NCLB.

The Department of Education and Communities for Quality 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 concurs with the intent and purpose of H.C.R. No. 46 and recommends its adoption.

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

**SCRep. 1015-06 Education on H.R. No. 33**

The purpose of this resolution is to urge the President of the United States and the United States Congress to support improving the quality of the nation's public schools by substantially increasing education funding for the No Child Left Behind Act, Higher Education Act, Individuals with Disabilities Education Act, and other education-related programs.

The Department of Education testified in support of this resolution.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 33 and recommends its adoption.

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

**SCRep. 1016-06 Education on H.C.R. No. 47**

The purpose of this concurrent resolution is to urge the President of the United States and the United States Congress to support improving the quality of the nation's public schools by substantially increasing education funding for the No Child Left Behind Act, Higher Education Act, Individuals with Disabilities Education Act, and other education-related programs.

The Department of Education testified in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 47 and recommends its adoption.

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

**SCRep. 1017-06 Tourism & Culture on S.B. No. 2213**

The purpose of this bill is to limit government exposure to unwarranted liability by providing qualified immunity for public entities and public employees from injuries sustained by a person when using a motorsports facility. This bill also repeals the provision that prohibits liability waivers from being enforceable against the rights of a minor who suffers injuries from participating in a motorsports event at a motorsports facility.

The Mayor of the County of Hawaii, County of Hawaii Department of Parks and Recreation, Motorsports Park Hawaii, Hawaii Motorcycle Dealers Association, and numerous concerned individuals supported this bill. The Consumer Lawyers of Hawaii opposed this measure.

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

As affirmed by the record of votes of the members of your Committee on Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2213, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2213, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Ching.

**SCRep. 1018-06 Tourism & Culture on S.B. No. 2454**

The purpose of this bill is to exempt a time share plan, containing accommodations or facilities located in a currently registered Hawaii time share plan, which is offered for sale solely 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 Commerce and Consumer Affairs (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.

RCI, Starwood Vacation Ownership, and ARDA-Hawaii supported this bill. Marriot International supported this bill with amendments. DCCA submitted comments.

Your Committee notes that the proponents of this bill have been working with DCCA to revise and improve the bill's provisions.

In light of this continuing discussion, your Committee has amended this measure by:

- (1) Clarifying that the bill's provisions apply to time share plans containing time share interests or units, instead of accommodations or facilities, that are part of a currently registered Hawaii time share plan, which are offered for sale solely outside the United States (foreign time share plans);
- (2) Reducing and revising the list of information pertaining to the foreign time share plan that must be submitted to be eligible for the time sharing law exemption to the following:
  - (A) The name and address of the foreign time share plan;
  - (B) The name and address of the developer and seller of the foreign time share plan, if any;
  - (C) The name and registration number of the time share plan located in Hawaii; and
  - (D) The duration of the foreign time share plan;
- (3) Requiring that the disclosure statement for a contract to purchase an interest in a foreign time share plan also contains the following statement:

"NO RESALE OR INTERESTS IN THIS TIME SHARE PLAN MAY BE MADE BY ANY PERSON WITHIN THE JURISDICTIONAL LIMITS OF THE UNITED STATES OF AMERICA"; and

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

As affirmed by the record of votes of the members of your Committee on Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2454, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2454, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Ching.

**SCRep. 1019-06 Tourism & Culture on S.B. No. 2570**

The purpose of this bill is to encourage the growth of 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 Taxation, Department of Business, Economic Development, and Tourism, Maui Film Office, Big Island Film Office, Honolulu Film Office, Hawaii Film & Entertainment Board, Hawaii Film Authority, Screen Actors Guild, International Alliance of Theatrical Stage Employees, Mixed Local 665, American Federation of Musicians, Local 677, International Brotherhood of Electrical Workers Local 1260, and several concerned individuals supported this bill. The Motion Picture Association of America, Inc., and the Tax Foundation of Hawaii submitted comments.

Your Committee has amended this bill by:

- (1) Clarifying that the New Tax Credit shall apply to qualified production costs incurred on July 1, 2006, as well as after; 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 S.B. No. 2570, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2570, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ching.

**SCRep. 1020-06 Transportation on S.B. No. 2050**

The purpose of this bill is to conform statutory language regarding neighborhood electric vehicles to federal standards. Specifically, this measure amends the definition of "Neighborhood electric vehicle" by:

- (1) Deleting the requirement that the vehicle be designed to carry four or fewer persons;
- (2) Clarifying that the vehicle has four wheels in contact with the ground; and
- (3) Specifying that the vehicle has a Gross Vehicle Weight Rating (GVWR) of less than 2,500 pounds.

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 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 S.B. No. 2050 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 1021-06 Transportation on S.B. No. 2456**

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 and several concerned individuals testified in support of this bill. The Department of Transportation supported the intent of the measure. The Hawaii Transportation Association submitted comments.

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. This problem is especially acute in the Ala Moana and Waikiki 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.

Your Committee has amended this measure by:

- (1) Deleting the requirement that a rule be developed to specify the time period that manually disengaged audible reverse warning devices remain off and are automatically re-engaged;
- (2) Changing the effective date to July 1, 2007; and

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2456, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2456, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 1022-06 Water, Land, & Ocean Resources/Hawaiian Affairs on S.B. No. 917**

The purpose of this bill is to ensure native Hawaiian representation on the Commission on Water Resource Management by allowing the Office of Hawaiian Affairs (OHA) to appoint one member of the nominating committee.

OHA testified in support of this bill. The Department of Land and Natural Resources supported this measure with amendments.

Your Committees have amended this bill by changing the number of members on the nominating committee from four to five to reflect the amendments made by the previous legislative committee, which allowed OHA to appoint an additional member of the nominating committee instead of reducing the number of members appointed by the Governor.

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 S.B. No. 917, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 917, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Harbin, Morita, Finnegan and Thielen.

**SCRep. 1023-06 Water, Land, & Ocean Resources/Hawaiian Affairs on S.B. No. 2004**

The purpose of this bill is to establish the Ahu O Laka state monument.

Specifically this bill:

- (1) Specifies the area covered by the Ahu O Laka state monument; and
- (2) Authorizes the Department of Land and Natural Resources (DLNR) to adopt rules for the protection and maintenance of the Ahu O Laka state monument.

DLNR, the Kahalu'u Neighborhood Board No. 29, The Ko'olau Foundation, Na Iwi Ola o He'eia-Kea, Ko'olaupoko Hawaiian Civic Club, Keahiakahoe Canoe Club, and many concerned individuals testified in support of this bill. Numerous concerned individuals opposed this measure. A concerned individual provided comments.

Your Committees find that continued research on the sandbar is needed and further discussion on this matter is necessary. Accordingly, your Committees have amended this bill by changing the effective date to July 1, 2050, to encourage discussion.

Technical nonsubstantive amendments were also made for clarity and consistency.

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 S.B. No. 2004, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2004, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Harbin, Morita, Finnegan and Thielen.  
(Representative and Meyer voted no.)

**SCRep. 1024-06 Human Services/Health on S.B. No. 3254**

The purpose of this bill is to make permanent the home- and community-based case management agencies and community care foster family homes law.

The Department of Human Services, Policy Advisory Board for Elder Affairs, and Adult Foster Home Association of Hawaii testified in support of this bill.

Your Committees have amended this bill by expanding the capacity of community care foster family homes from two to three adults.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3254, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3254, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1025-06 Human Services/Health on S.B. No. 3247**

The purpose of this bill is to assist care home operators with the increased costs of care by:

- (1) Specifying that domiciliary care includes care provided in developmental disabilities domiciliary homes, developmental disabilities adult foster homes, community care foster family homes, and developmental disabilities apartment complexes;

- (2) Adjusting the level of care payments for type I and type II facilities; and
- (3) Requiring the Department of Human Services (DHS) to authorize payments for certain care home residents under certain conditions.

The Hawaii Disability Rights Center, United Group of Care Home Operators, Adult Foster Home Association of Hawaii, and Alliance of Residential Care Home Administrators testified in support of this bill. The Council on Developmental Disabilities and Disability and Communication Access Board supported the intent of this measure. The Coalition of Care Home Administrators supported this bill with amendments. The Department of Health opposed this measure. DHS offered comments.

Your Committees are supportive of caregivers who put forth so much time and effort to care for others. Your Committees heard several measures to assist caregivers, and one of those measures includes provisions to increase level of care payments.

Accordingly, your Committees have deleted the contents of this measure and inserted contents that:

- (1) Amend 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;
- (2) Increase 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;
- (3) Increase 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;
- (4) Increase 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;
- (5) Require adult residential care homes to reserve at least one bed for Medicaid patients; and
- (6) Make permanent the home- and community-based case management agencies and community care foster family homes law.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3247, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3247, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1026-06 Economic Development & Business Concerns/International Affairs on S.B. No. 2036**

The purpose of this bill is to create more diverse business and technology-based jobs by providing funds to operate and implement an international business and technology incubator program in Hawaii.

The High Technology Development Corporation testified in support of this bill.

As affirmed by the records of votes of the members of your Committees on Economic Development & Business Concerns and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2036, S.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Sonson, Ching, Marumoto and Thielen.

**SCRep. 1027-06 Economic Development & Business Concerns on S.B. No. 2493**

The purpose of this bill is to provide more time for the Hawaii 2050 Sustainability Task Force (Task Force) to continue its efforts by:

- (1) Extending the deadline for the Auditor to submit the Hawaii 2050 Sustainability Plan by an additional year; and
- (2) Extending the authority of the Task Force to June 30, 2008.

The Department of Business, Economic Development, and Tourism testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2493, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 1028-06 Economic Development & Business Concerns on S.B. No. 3138**

The purpose of this bill is to provide funding for the Auditor to prepare the Hawaii 2050 Sustainability Plan.

The Department of Business, Economic Development, and Tourism supported the intent of this bill. Navatek, Ltd., Asia Pacific Flowers, Inc., Green Point Nurseries, and OmniTrak Group, Inc., testified in support of this bill with amendments.

Your Committee has amended this bill by:

- (1) Providing an appropriation for the Hawaii 2050 Sustainability Task Force to:
  - (A) Conduct policy analyses;
  - (B) Gather research and data;
  - (C) Conduct community outreach and solicit input from all sectors;
  - (D) Launch a public education and media campaign; and
  - (E) Comprehensively assess the feasibility of establishing "Hawaii" as a brand name;
 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 S.B. No. 3138, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3138, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1029-06 Education on S.B. No. 2718**

The purpose of this bill is to establish a cap on the total financial contribution that a nonprofit organization is required to contribute to a new century conversion charter school each year.

The Charter School Administrative Office, Hookakoo Corporation, Waimea Middle School, and a concerned individual testified in support of this bill. The Hawaii State Teachers Association opposed 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 S.B. No. 2718, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 1030-06 Education on S.B. No. 2708**

The purpose of this bill is to study and recommend alternative financing methods for school construction by extending and funding the work of the school impact fee working group established in Act 246, Session Laws of Hawaii 2005, for one additional year to July 30, 2007.

The Office of the Auditor, Land Use Research Foundation of Hawaii, Hawaii Leeward Planning Conference, and Castle and Cooke Hawaii 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 S.B. No. 2708, 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 Chang and Harbin.

**SCRep. 1031-06 Education on S.B. No. 2704**

The purpose of this bill is to clarify and update financial provisions relating to school repair and maintenance by:

- (1) Repealing the school-level minor repair and maintenance account that consists of general funds because these funds have already been included in the weighted student formula for allocating funds to public schools; and
- (2) Removing the requirement that each school principal, through the Superintendent of Education, submit an annual report to the Department of Accounting and General Services regarding expenditures made from the school-level minor repair and maintenance accounts.

The Department of Education (DOE) testified in support of this bill.

Your Committee has amended this bill by:

- (1) Removing the requirement that DOE allocate funds for school-level minor repairs and maintenance based on the number of students at the school multiplied by a factor that recognizes the age and condition of the school; and

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

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2704, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2704, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1032-06 Education on S.B. No. 2720**

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 functions from the Department of the Attorney General (AG) and Department of Human Services (DHS) to the Department of Education (DOE); and
- (2) Delaying for one year the transfer of functions from the Department of Budget and Finance (B&F) and the transfer of school health aides and public health nurses from the Department of Health (DOH) to DOE.

DOE, DOH, DHS, Department of Human Resources Development, and AG testified in support of this bill. The Hawaii Government Employees Association supported the intent of this measure. B&F offered comments.

Upon consideration, your Committee has amended this bill by replacing its entire contents with the language of H.B. No. 1863. As amended, this bill differs substantively from the measure as received by repealing, rather than delaying for one year, the transfer of B&F functions to DOE.

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

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2720, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2720, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1033-06 Education on S.B. No. 2836**

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

The Department of Education supported the intent of this bill. The Department of Budget and Finance and Department of Taxation opposed this measure. The Tax Foundation of Hawaii offered comments.

Upon consideration, your Committee has amended this bill by replacing its entire contents with the language of H.B. No. 1891 H.D. 2. As amended, this bill:

- (1) Increases the amount of funds deposited into SEFI;
- (2) Specifies that these funds are to be used for public school capital improvement program needs; and
- (3) Takes effect on July 1, 2020, and is repealed on June 30, 2007.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2836, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2836, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1034-06 Education on S.B. No. 2956**

The purpose of this bill is to ensure the availability of funds for and effective management of public school facilities, which in turn, provide Hawaii's students with the optimal environment for learning.

Specifically, this bill:

- (1) Appropriates funds for Department of Education (DOE) operations and facility repair and maintenance;
- (2) Authorizes the issuance of general obligation bonds for DOE capital improvement projects;
- (3) Establishes and appropriates funds for the New School Construction Special Fund from which lease back payments can be made, provided that schools constructed with these moneys meet energy-efficient design standards; and
- (4) Authorizes DOE to use certificates of participation to finance the construction of new schools.

The Land Use Research Foundation of Hawaii, 2005 Secondary Student Conference, and a concerned individual testified in support of this bill. DOE supported the intent of this measure. The Department of Budget and Finance opposed this bill.



Upon consideration, your Committee has amended this bill by replacing its entire contents with the language of H.B. No. 2182 H.D. 1. As amended, this bill:

- (1) Appropriates funds for 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.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2956, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2956, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1035-06 Tourism & Culture on S.B. No. 2813**

The purpose of this bill is to support orchestral music in Hawaii by appropriating an unspecified amount of funds into the State of Hawaii Endowment Fund for the production of music by an Oahu-based symphony orchestra, provided that the funds are matched dollar-for-dollar by private funds.

The Musicians' Association of Hawaii, Oahu County Committee of the Democratic Party of Hawaii, and numerous concerned individuals supported this bill. The Hawaii State Foundation on Culture and the Arts supported the intent of this bill.

Your Committee has amended this measure by:

- (1) Inserting an appropriation amount of \$10,000,000; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

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

Signed by all members of the Committee except Representative Karamatsu.

**SCRep. 1036-06 Transportation on S.B. No. 2051**

The purpose of this bill is to make Hawaii's Commercial Driver's Licensing (CDL) law more efficient by making the renewal date of a CDL with a hazardous materials (HAZMAT) endorsement coincide with the renewal date of the underlying CDL.

The Department of Transportation and Hawaii Transportation Association testified in support of this bill.

Current federal regulations require that CDL drivers with a HAZMAT endorsement 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 S.B. No. 2051 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 1037-06 Transportation on S.B. No. 2065**

The purpose of this bill is assist Hawaii's used car buyers by:

- (1) Stipulating that responsibility for paying parking citations issued to a motor vehicle rests with the registered owner of the motor vehicle incurring the parking citation at the time of the violation; and
- (2) Clarifying that unpaid parking citations do not prevent the issuance or renewal of the motor vehicle's certificate of registration and transfer of title.

The Honolulu Police Department, Hawaii Automobile Dealers Association, and Hawaii Credit Union League testified in support of this bill. The Judiciary submitted comments.

Many individuals in Hawaii purchase used vehicles. At times, the individual purchasing the used vehicle is unaware that the vehicle has unpaid citations issued against it until it is time to renew the vehicle registration. These new owners often are required to pay the citations of previous owners before being allowed to register their vehicle with the county. Your Committee finds that these fines can often amount to hundreds of dollars and that new owners of vehicles should not be held accountable for the previous owner's actions.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2065, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 1038-06 Transportation on S.B. No. 2663**

The purpose of this bill is to preserve the heritage of Hawaii's rural communities by applying the law on flexibility in highway design to the Koolau Loa coastal highway from Kaaawa to Waimea on the island of Oahu.

Your Committee finds that flexible highway design guidelines for road and bridge projects allow for the implementation of needed highway improvements while addressing and balancing appropriate financial, political, social, and economic policy concerns, including safety; cost-effectiveness; aesthetics; and environmental and cultural preservation. The Koolau Loa coastal highway is a scenic and unique highway with spectacular natural views and characteristics that warrant its inclusion in the flexible highway design process.

Your Committee has amended this measure by changing its effective date to July 1, 2007, to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2663, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2663, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 1039-06 Transportation on S.B. No. 3098**

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

- (1) Granting jurisdiction and administrative authority over Piers 1 and 2 and the contiguous backup fast lands that serve as a manifested cargo and passenger operations area to the Department of Transportation (DOT);
- (2) Granting jurisdiction and administrative authority over the area in the vicinity of Piers 1 and 2 currently being used as a foreign-trade zone to the Department of Business, Economic Development, and Tourism;
- (3) Changing the boundaries of the Kakaako Community Development District by excluding the areas comprising Piers 1 and 2 and the contiguous backup fast lands that serve as a manifested cargo and passenger operations area and foreign-trade zone;
- (4) Directing the Hawaii Community Development Authority to transfer various parcels of land to the Department of Land and Natural Resources (DLNR); and
- (5) Directing the Governor to set aside the following areas:
  - (A) Land presently containing the foreign-trade zone to DBEDT; and
  - (B) Land currently used as Piers 1 and 2 and the backup contiguous fast lands used as manifested cargo and passenger operations to DOT.

DOT, DBEDT, The Chamber of Commerce of Hawaii, Matson Navigation Company, Alexander and Baldwin, Inc., Young Brothers Limited, and a concerned individual testified in support of this bill. The Hawaii Community Development Authority (HCDA) supported this measure, with amendments.

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 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 by transferring jurisdiction of Piers 1 and 2 from HCDA to DOT, the efficacy of this system can be better managed.

However, your Committee was informed by those testifying that language in H.B. No. 1880 more accurately reflected the parcel of lands to be transferred. Accordingly, your Committee has amended this bill by deleting its contents and replacing it with language that:

- (1) Removes Piers 1 and 2 of Honolulu Harbor from the Kakaako Community Development District;
- (2) Grants jurisdiction and administrative authority over Piers 1 and 2 to the Department of Transportation (DOT);
- (3) Specifies 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;

and;

- (4) Clarifies that the above-mentioned parcels shall be deleted from the Kakaako Community Development District and conveyed to DLNR 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.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3098, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3098, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1040-06 Public Safety & Military Affairs on S.B. No. 2295**

The purpose of this bill is to:

- (1) Repeal the requirement that principal detectives and guards must be residents of the state to qualify for licensure; and
- (2) Allow an agency to employ more than one principal detective or principal guard.

The State Board of Private Detectives and Guards (Board) testified in support of this bill.

The Department of the Attorney General determined that sections 463-5 and 463-7, Hawaii Revised Statutes, are unconstitutional since they require residency as a condition of licensure. Your Committee finds that this bill addresses the constitutional concerns properly.

Your Committee agrees with the Board's policy of allowing an agency to employ more than one principal to aid in the direct management and control of the agency's employees. As an agency's business increases, so do staffing requirements and the number of offices or locations. Accordingly, your Committee finds that allowing an agency to employ more than one principal detective or guard is logical for the practicalities of business and ensures consumer 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 S.B. No. 2295 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, Souki and Stonebraker.

**SCRep. 1041-06 Public Safety & Military Affairs on S.B. No. 2263**

The purpose of this bill is to improve firearm regulation by amending Chapter 134, Hawaii Revised Statutes, to comply with certain provisions of the federal law contained in the "Brady Bill." Specifically, this bill:

- (1) Reflects the current federal requirement that state firearms registration records include place of birth, country of citizenship, and for non-citizens, an alien or admission number;
- (2) Reflects the federal mandate that the national instant criminal background check system and also for non-citizens, the immigration and customs enforcement databases be checked prior to the issuance of firearms permits; and
- (3) Prohibits a person's possession of firearms under state law if the person is prohibited from possessing firearms under federal law.

The Department of the Attorney General (AG) and Honolulu Police Department supported this bill. The County of Hawaii Police Department supported this measure with amendments.

Your Committee notes that the AG testified that all the county police chiefs supported this bill and felt that the addition of required information such as citizenship and alien admission numbers on firearm applications would have minimum impact on the police departments. Your Committee finds that remaining in compliance with the U.S. Bureau of Alcohol, Tobacco, and Firearms regulations, this bill will ensure that Hawaii does not jeopardize its ability to continue to issue firearms permits.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2263, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 1042-06 Public Safety & Military Affairs on S.B. No. 2581**

The purpose of this bill is to reduce the backlog of unserved arrest warrants by authorizing the Attorney General to promulgate rules to allow retired police and public safety officers to serve arrest warrants.

The Honolulu Police Department and Mothers Against Drunk Driving-Hawaii testified in support this bill. The Department of the Honolulu Prosecuting Attorney supported the intent of this measure. The Attorney General and Office of the Public Defender opposed this bill.

Your Committee finds that this bill will allow for an immediate solution to reduce the backlog until more information about the problem is obtained and long-term solutions are recommended.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2581, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 1043-06 Public Safety & Military Affairs on S.B. No. 2305**

The purpose of this bill is to improve policies concerning and services and activities for veterans by:

- (1) Placing the Policy Advisory Board on Veterans' Services (Board) within the Office of Veterans' Services (OVS);
- (2) Increasing the Board's membership;
- (3) Clarifying residency requirements for Board members; and
- (4) Adjusting the quorum requirements accordingly.

The OVS and Board supported this bill.

Your Committee finds that districts have been growing at such an exponential rate that more veterans are moving into various communities. In order for the Board to have input from veterans in these burgeoning communities, the increase in membership effectively address these concerns.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2305, 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 Shimabukuro, Souki and Stonebraker.

**SCRep. 1044-06 Public Safety & Military Affairs on S.B. No. 2651**

The purpose of this bill is to appropriate funds for the planning and construction of the Waipahu Centennial Memorial to honor our fallen veterans.

The Office of Veterans Services, VFW Post 1572, and a concerned individual testified in support of this measure.

Your Committee believes that the recognition of veterans, past, present, and future, is meaningful and important to the well-being of 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 S.B. No. 2651, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 1045-06 Public Safety & Military Affairs on S.B. No. 2946**

The purpose of this bill is to assist the Department of Public Safety (DPS) in improving Hawaii's correctional facilities by specifying the Correction Population Management Commission's recommendation-making responsibilities.

DPS, Community Alliance on Prisons, A Woman's Voice International, and several concerned individuals testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2946, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 1046-06 Water, Land, & Ocean Resources on S.B. No. 2687**

The purpose of this bill is to prevent criminalization of the homeless by repealing the petty misdemeanor offense of criminal trespass onto public parks and recreational grounds.

The Office of the Public Defender, Partners In Care, and a concerned individual supported this bill. The Kuliouou/Kalani Iki Neighborhood Board #2 and a concerned individual opposed this bill. The Department of Land and Natural Resources submitted comments.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2687 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 1047-06 Water, Land, & Ocean Resources on S.B. No. 2986**

The purpose of this bill is to address the concern raised by *Kelo v. New London*, 125 S. Ct. 2655 (2005), that urban renewal or economic development may justify the government to condemn private property for the benefit of a private entity despite the fact that the property may not be for a public use by:

- (1) Requiring the condemnor to own and occupy the private property taken by eminent domain;
- (2) Allowing the taking of private property by eminent domain only upon an independent judicial determination on the evidence that the condemnor has proven no reasonable alternative exists;
- (3) Allowing a former owner or beneficiary of the private property to reacquire the property for the fair market value of the property if the condemned property ceases to be used for the stated public use; and
- (4) Defining "stated public use" to include developments that are determined by the governing authority to be integral and required elements of public purpose projects, such as affordable housing, shelters for the homeless, schools, hospitals, disaster preparedness, or renewal projects, and mass transit systems.

The Hawaii Farm Bureau, Maui County Farm Bureau, Big Island Farm Bureau, Hawaii Agriculture Research Center, Hawaii Crop Improvement Association, C&H Farms, Small Landowners Association of Hawaii, Small Landowners of Oahu, and Hawaii Tropical Fruit Growers Association testified in support of this bill. The National Federation of Independent Businesses in Hawaii supported the intent of this measure. The Department of Transportation, City and County of Honolulu Department of Planning and Permitting, City and County of Honolulu Department of the Corporation Counsel, and several concerned individuals opposed this measure.

Your Committee has amended this bill by deleting a substantial portion and incorporating the language of H.B. No. 2135, H.D. 1. Specifically, the bill as amended:

- (1) Provides a purpose section regarding the concerns of the *Kelo* case;
- (2) Prohibits the taking of private property by eminent domain if the taking is for the purpose of urban or economic development that would result in the development of nongovernmental retail, office, commercial, residential, or industrial development or use and specifically excludes developments that are integral and required elements of public purpose projects, such as affordable housing and mass transit systems; and
- (3) Gives the former owner of the condemned land, if it ceases to be used for the stated public use, the right to reacquire the property for the fair market value before it may be sold or transferred.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2986, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2986, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 1048-06 Hawaiian Affairs on S.B. No. 3180**

The purpose of this bill is to preserve native Hawaiian culture by allowing the use of practices, techniques, styles, customs, and materials of indigenous Hawaiian architecture in present-day construction in certain zoning districts in the state.

The Office of Hawaiian Affairs 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 S.B. No. 3180, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3180, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1049-06 Health on S.B. No. 2337**

The purpose of this bill is to ensure a continuum of adult mental health services by:

- (1) Making an emergency appropriation of \$4,724,703 for fiscal year 2005-2006; and
- (2) Authorizing an increase in the expenditure ceiling of the Mental Health and Substance Abuse Special Fund by an additional \$6,148,944,

for ongoing services at the Hawaii State Hospital and for community-based services.

DOH, the Hawaii Disability Rights Center, National Alliance for the Mentally Ill – Oahu, and a concerned individual supported this bill.

These emergency appropriations will address an unforeseen budget shortfall resulting from a sudden increase in the number of patients in the State Hospital and increased requests for community-based services.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2337, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 1050-06 Health on S.B. No. 2339**

The purpose of this bill is to meet unexpected increases in ambulance service costs by appropriating:

- (1) \$7,154,735, for fiscal year 2005-2006, from the general fund to pay for ambulance service contracts and general operating costs for supplies and equipment, including negotiated collective bargaining costs; and
- (2) \$441,721 from the emergency medical services special fund for contract ambulance services for Maui and Kauai counties and other payments and expenses.

The Department of Health (DOH) and City and County of Honolulu's Emergency Services Department supported this bill.

DOH reported that its financial shortfall occurred due to increased operational and bargaining unit costs that were not accounted for in this fiscal year.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2339, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 1051-06 Health on S.B. No. 2347**

The purpose of this bill is to assure the healthy and safe development of children by providing healthy start programs to families at risk through home visiting services. This bill appropriates \$1,000,000 from the Early Intervention Special Fund to comply with the federal mandate for early intervention services under Part C of the Individuals with Disabilities Education Improvement Act.

The Department of Health (DOH), Department of Human Services, Hawaii Early Intervention Coordination Council, and Parents and Children Together supported this bill.

According to DOH, this funding request is due to the expansion of services to cover all eligible children, including those at developmental and environmental risk for developmental delay and diagnosed with developmental delay.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2347, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 1052-06 Health on S.B. No. 2348**

The purpose of this bill is to prepare and protect the people of Hawaii from a pandemic of a novel strain of influenza by appropriating \$11,000,000 for the Department of Health (DOH) to acquire medications, mass clinic supplies; laboratory supplies and equipment, personal protective equipment, and a data management system for tracking cases and contacts.

The Governor, DOH, and Healthcare Association of Hawaii supported this bill. The U.S. Surgeon General provided 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 S.B. No. 2348, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 1053-06 Health/Human Services on S.B. No. 2338**

The purpose of this bill is to enable the State to provide home- and community-based services to low-income individuals with developmental disabilities or mental retardation who choose to live in their own communities instead of an institutional setting. This bill makes an emergency appropriation of \$6,807,562 for the Medicaid Home and Community Based Service Waiver Program (MHCBSW) to meet an existing shortfall.

The Department of Health, State Council on Developmental Disabilities, Department of Human Services, Department of the Attorney General, and Hawaii Disability Rights Center supported this bill.

The budget shortfall is due to an increased number of clients that must be admitted to the MHCBSW program to comply with the 2005 legal settlement with the Hawaii Disability Rights Center.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2338 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 1054-06 Health/Human Services on S.B. No. 2340**

The purpose of this bill is to ensure uninterrupted services for developmentally delayed, or biologically or environmentally at-risk children (from birth to 3 years of age) by making an emergency appropriation of \$3,200,928 for fiscal year 2005-2006, for early intervention services as mandated under Part C of the Individuals with Disabilities Education Improvement Act of 2004.

The Department of Health, Department of Human Services, State Council on Developmental Disabilities, Hawaii Early Intervention Coordinating Council, Hawaii Disability Rights Center, and Hawaii Chapter of the American Physical Therapy Association supported this bill.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2340, S.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 1055-06 Legislative Management on S.B. No. 2806**

The purpose of this bill is to enhance public access to the legislative process by appropriating an unspecified sum of funds to provide video and audio transmission of legislative sessions and hearings on the Internet.

Olelo Community Television, The League of Women Voters of Hawaii, and a concerned individual testified in support of this bill. The Disability and Communications Access Board offered comments.

A process known as "streaming media" or "webcasting" allows video or audio signals of an event to be transmitted through computer servers and broadcast on the Internet. Users can see or listen to the event wherever computers are available, including in public libraries, schools, and other public places. This service could result in increasing public access to the legislative process at a low cost to the State.

Your Committee has amended this bill by:

- (1) Specifying that two archived and indexed video systems be provided instead of one; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Increasing the number of video systems will not add any additional cost to the project. Moreover, existing equipment can accommodate two video systems.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2806, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2806, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 1056-06 Hawaiian Affairs on S.B. No. 2424**

The purpose of this bill is to clarify that the Office of Hawaiian Affairs (OHA) is required to develop and continually update, but not implement, a strategic plan, instead of a comprehensive master plan. This bill also removes the requirement that OHA must establish immediate goals for OHA.

OHA testified in support of this bill.

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 S.B. No. 2424 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

**SCRep. 1057-06 Education on H.R. No. 31**

The purpose of this resolution is to request that the Department of Education (DOE), with broad community participation and in conjunction with youth, various community leaders, and other agencies, assist in developing community-based programs on the island of Hawaii that encourage positive youth outcomes, including leadership development, team spirit, high self-esteem, and reinforcement of values that result in positive contributions to the community.

Many concerned students from Laupahoehoe Elementary & High School, Hilo High School, and Honokaa High and Intermediate School testified in support of this resolution. DOE supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 31 and recommends its adoption.

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

**SCRep. 1058-06 Education on H.C.R. No. 45**

The purpose of this concurrent resolution is to request that the Department of Education (DOE), with broad community participation and in conjunction with youth, various community leaders, and other agencies, assist in developing community-based programs on the island of Hawaii that encourage positive youth outcomes, including leadership development, team spirit, high self-esteem, and reinforcement of values that result in positive contributions to the community.

Many concerned students from Laupahoehoe Elementary & High School, Hilo High School, and Honokaa High and Intermediate School testified in support of this concurrent resolution. DOE supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 45 and recommends its adoption.

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

**SCRep. 1059-06 Water, Land, & Ocean Resources on S.B. No. 3147**

The purpose of this bill is to preserve culturally and environmentally significant lands on Oahu by appropriating funds for the purchase of Waimea Valley.

The Save Waimea Valley Coalition, Sierra Club, Hawaii Chapter, and a concerned individual supported this bill. The Office of Hawaiian Affairs supported this measure with amendments. 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 S.B. No. 3147, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 1060-06 Water, Land, & Ocean Resources on S.B. No. 2150**

The purpose of this bill is to provide financial support for the repair and maintenance of the State's small boat harbors by:

- (1) Dedicating an unspecified percentage of the general excise tax revenues received from the direct revenues generated by the ocean recreation industry to be deposited into the Boating Special Fund (Fund);
- (2) Defining revenues generated by the ocean recreation industry as including taxable revenues generated by a list of specific businesses; and
- (3) Making a conforming amendment to law that allows the Boating Special Fund to accept deposits from the general excise tax remittance.

Jack's Diving Locker, Lahaina Divers, and a concerned individual testified in support of this bill. The Hawaii Government Employees Association, Hawaii Boaters Political Action Association, Ocean Tourism Coalition, Trilogy Excursions supported the intent of this bill with amendments. The Department of Land and Natural Resources (DLNR), Department of Taxation, and a concerned individual opposed this measure. The Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Specifying 50 percent of the general excise tax collected as the amount to be credited to the Fund;
- (2) Changing the general excise tax revenues received from permittees whose vessels are used for commercial activities in small boat harbors to be deposited into the Fund; and
- (3) Prohibiting the transfer of small boat harbors to the counties unless expressly provided by law.

The amendment prohibiting the transfer of small boat harbors to counties has been necessitated because discussions and written communications between DLNR and the various counties strongly indicate that the department has been attempting to administratively effect such a transfer, contrary to its explanation that such discussions and written communications have only been for inquiry and exploratory purposes.

Article VI, section 6 of the Hawaii State Constitution, mandates that the functions of the state government be allocated by law among its principle departments. The law, section 200-3, Hawaii Revised Statutes (among other sections), clearly places the operation, administration, and maintenance of the small boat within DLNR. It was the Legislature that transferred the small boat harbors from the Department of Transportation to DLNR. It is the Legislature, not DLNR, that will determine the disposition of the small boat 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 S.B. No. 2150, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2150, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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



**SCRep. 1061-06 Water, Land, & Ocean Resources on S.B. No. 2737**

The purpose of this bill is to prohibit the taking or killing of female ula (spiny lobster), Kona crab, and Samoan crab, except for the taking or killing of female marine invertebrates that are products of commercial aquaculture and not removed from their natural environment.

The Nature Conservancy of Hawaii and several concerned individuals testified in support of this bill. The Department of Land and Natural Resources and Conservation Council for Hawaii supported this measure and suggested amendments.

Your Committee has amended this bill by:

- (1) Specifying that the prohibition is subject to exemptions provided by law; and
- (2) Including the scientific names of the female ula, Kona crab, and Samoan crab.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2737, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2737, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 1062-06 Consumer Protection & Commerce on S.B. No. 3065**

The purpose of this bill is to make the One Call Center Advisory Committee more representative of the major industries that it affects, by adding representatives of the water utility industry and wastewater industry to the committee, thus increasing committee membership from 15 to 17 persons.

The Public Utilities Commission, Consumer Advocate, Honolulu Board of Water Supply, and The Gas Company supported this bill.

Your Committee finds that the addition of members with expertise in the water utility industry and wastewater industry will allow the One Call Center Advisory Committee to better advise the Public Utilities Commission on locating underground utilities and other matters that will improve the administration of the One Call Center.

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. 3065, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Caldwell, Kanoho, Morita, Sonson and Stonebraker.

**SCRep. 1063-06 Consumer Protection & Commerce on S.B. No. 2499**

The purpose of this bill is to provide to investment securities brokers and agents, the same relief from the pyramiding of the general excise tax (GET) now enjoyed by most persons engaging in wholesale service transactions, by providing that when commissions earned on securities sales transactions are divided between several persons, each person is responsible only for the GET on their own portion of the commission.

Linsco/Private Ledger Corp., Brookstreet Securities Corporation, Sunamerica Securities Inc., and a concerned individual submitted testimony supporting this bill. The Department of Taxation opposed this bill. The Tax Foundation of Hawaii commented on this measure.

Your Committee has amended this bill:

- (1) To more accurately identify the securities professionals to which the bill applies; and
- (2) By making technical, nonsubstantive, conforming amendments.

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. 2499, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2499, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Caldwell, Kanoho, Morita, Sonson and Stonebraker.

**SCRep. 1064-06 Consumer Protection & Commerce on S.B. No. 3072**

The purpose of this bill is to streamline the procedure for adjusting a charge when an insurer receives a request for payment from a medical service provider under the personal injury protection (PIP) provisions of a motor vehicle policy and finds that the charge exceeds the maximum amount permitted by law.

The Insurance Commissioner (Commissioner) of the Department of Commerce and Consumer Affairs, Consumer Lawyers of Hawaii, Hawaii Insurers Council, and State Farm Insurance Companies supported this bill.

Your Committee finds that this bill addresses a Hawaii Supreme Court decision that characterizes an insurer's adjustment of a PIP charge that exceeds statutory limits, as a denial of benefits, thus requiring notice of the "denial" to be mailed to the provider and in triplicate copies, to the claimant.

This bill allows an insurer to treat the adjustment as an adjustment, and gives the provider and claimant the right to request a written explanation of the adjustment. The bill does not affect the provider's, insurer's, or claimant's right to submit the dispute to the Commissioner, arbitration, or the courts.

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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3072, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3072, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Caldwell, Kanoho, Morita, Sonson and Stonebraker.

**SCRep. 1065-06 Consumer Protection & Commerce/Public Safety & Military Affairs on S.B. No. 2239**

The purpose of this bill is to reduce unnecessary delays in the implementation of Wireless Enhanced 911 service by giving the Wireless Enhanced 911 Board (Board) more flexibility in expending funds from the Wireless Enhanced 911 Fund (Fund). Specifically, this bill allows:

- (1) 911 answering service agencies or "public service answering points" (PSAPs) to recover rather than be reimbursed for their costs;
- (2) Recovery of essential operating expenses currently excluded by the wording of the law; and
- (3) The Board flexibility to allocate payments from the Fund to PSAPs and wireless carriers.

The Department of Accounting and General Services, Honolulu Police Department, and Wireless Enhanced 911 Board supported this bill. Cingular Wireless commented on this measure.

Your Committees have amended this bill, as recommended by the Board, to address concerns that no funding may be available to wireless carriers if the Board has discretion to allocate Fund moneys between PSAPs and wireless carriers. The bill now specifies that at least one-third of the moneys in the Fund must be available for wireless provider cost recovery.

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 S.B. No. 2239, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2239, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho, Morita, Sonson and Stonebraker.

**SCRep. 1066-06 Transportation/Public Safety & Military Affairs on S.B. No. 2650**

The purpose of this bill is to assist Hawaii residents serving in the armed services by exempting members of the National Guard and federal reserves who were ordered to active federal service and who were deployed to a combat zone or hazardous duty area in 2005, from motor vehicle taxes and fees for noncommercial motor vehicles.

The Department of Transportation, Hawaii National Guard Enlisted Association, Hawaii National Guard Association, The Chamber of Commerce of Hawaii, 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 measure. The Department of Defense supported the original intent of this measure, but opposed the additional restrictions imposed by the current version of the bill. The Tax Foundation of Hawaii submitted comments.

Your Committees recognize that many residents of Hawaii serve their country in the Hawaii Army National Guard, Hawaii Air National Guard, and the Army Reserves and that many of these units have been activated by executive order to serve in hostile combat zones. Your Committees find that exempting their vehicles from taxes and fees is a small price to pay for their sacrifices.

Your Committees also find that these exemptions should be applied to all members of the National Guard and federal reserves who serve their country with honor and that the new restrictions imposed by the current version of the bill do not allow for this. Accordingly, your Committees have amended this bill by:

- (1) Deleting the tax and fee exemption requirements of a member of the National Guard or federal reserve who was:
  - (A) Ordered to active federal service; and
  - (B) Deployed for any period of time during the 2005 calendar year to a combat zone or qualified hazardous duty area;
- (2) Changing the effective date to July 1, 2007; 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 Transportation and Public Safety & Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2650, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2650, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1067-06 Water, Land, & Ocean Resources/Energy & Environmental Protection on S.B. No. 2575**

The purpose of this bill is to help preserve the traditional way of life along the Waianae Coast by appropriating funds to enable the completion of a baseline environmental study of the Waianae Coast ocean area.

Concerned individuals testified in support of this bill. The Department of Land and Natural Resources opposed this measure.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Energy & Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2575, S.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 1068-06 Public Safety & Military Affairs on S.B. No. 600**

The purpose of this measure is to raise the minimum age of a person to whom a rifle or shotgun may be transferred from eighteen to twenty-one years.

Prior to hearing this measure, your Committee distributed a proposed H.D. 1 in which the contents of this measure were replaced with those of H.B. No. 2996.

The purpose of this measure as proposed to be amended is to repeal the prohibition against the manufacture, possession, sale, or acquisition of detachable pistol ammunition magazines with a capacity in excess of ten rounds.

The County of Kauai Office of the Prosecuting Attorney, the Hawaii Rifle Association, one business entity, and twelve concerned individuals submitted testimony in support of this measure. The Department of the Attorney General and the Honolulu Police Department submitted testimony in opposition to this measure.

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 a 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. Your Committee also notes that, in 2004, the federal government repealed its prohibition on magazines with a capacity in excess of ten rounds.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 600, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 600, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 1069-06 Public Safety & Military Affairs on S.B. No. 2926**

The purpose of this bill is to help prepare inmates for reintegration into the community by expanding existing work furlough opportunities.

The Community Alliance on Prisons, A Woman's Voice International, TJ Mahoney and Associates, and numerous concerned citizens testified in support of this bill. The Department of Public Safety (DPS) supported the intent of this measure.

Your Committee finds that minimum-security or community-custody level inmates who are able to receive program and employment opportunities in prison prior to being released back into the community have a greater chance of not returning to prison. Consequently, work furlough is a crucial intermediate step for newly released individuals to be able to be successfully reintegrated into the community.

However, Hawaii presently only has two minimum-security prisons, which woefully lack adequate space to accommodate inmates. Your Committee believes that it will be beneficial to increase the availability of minimum custody housing for inmates.

Accordingly, your Committee has amended this measure by:

- (1) Providing authorization for DPS to plan for the construction of minimum-security housing in Kalaeloa; 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 S.B. No. 2926, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2926, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1070-06 Public Safety & Military Affairs/Labor & Public Employment on S.B. No. 824**

The purpose of this bill is to improve public safety by converting the positions of the two part-time members of the Hawaii Paroling Authority (HPA) to full-time positions to accommodate an increased workload.

HPA and the Department of the Prosecuting Attorney of the City and County of Honolulu testified in support of this bill.

Your Committees find that HPA's workload has increased eight-fold over the last 25 years because of the increase in incarceration rates. Currently, HPA effectively functions as a part-time body because only the chairperson of HPA is a full-time member. As a result, proper deliberation can be very difficult when HPA reviews cases and makes decisions that are vital to public safety.

Your Committees have amended this bill by:

- (1) Leaving blank the salary ranges for the chairperson and two members;
- (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 records of votes of the members of your Committees on Public Safety & Military Affairs and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 824, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 824, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1071-06 Human Services/Health on S.B. No. 3003**

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 an unspecified percentage of the federal poverty level (FPL) and deleting the asset test for eligibility;
- (2) Requiring Program applicants to apply for the federal Medicare part D pharmacy benefit program;
- (3) Providing that permissible prescription drug rebates must not conflict with federal law; and
- (4) Mandating the coverage of certain Medicare prescription drug benefit costs by the Program.

AARP Hawaii testified in support of this bill. The Department of Human Services (DHS) offered comments.

Your Committees have amended this bill by:

- (1) Requiring the Program to be qualified by the federal Centers for Medicare and Medicaid Services;
- (2) Requiring DHS to provide enrollment assistance relating to the various Medicare prescription drug plans;
- (3) Expanding the Program to households at or below 150 percent of the federal poverty level;
- (4) Removing the provision requiring Program applicants to apply for the federal Medicare Part D Pharmacy Benefit Program and that mandates new duties for DHS in this regard;
- (5) Specifying that DHS may pay for certain Medicare prescription drug benefit costs, rather than requiring DHS to pay the costs;
- (6) Removing the requirement that DHS pay the Medicare prescription drug premium for Part D plans;
- (7) Reinstating provisions related to the asset test;
- (8) Inserting an appropriation of \$600,000 for the Program; and
- (9) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committees note that DHS anticipates a cost of approximately \$600,000 to expand the Program to include households up to 150 percent of the federal poverty level. Previous versions of this measure did not include an appropriation.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3003, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3003, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1072-06 Consumer Protection & Commerce on S.B. No. 2193**

The purpose of this bill is to increase planned community association (PCA) member access to certain PCA records by requiring that PCA financial statements, insurance policies, contracts, and other records be made available for examination by PCA members for "the duration those records are kept by the association", instead of just for the current and prior year.

Several concerned individuals supported this bill. Community Associations Institute, Princeville at Hanalei Community Association, and Mililani Town Association opposed this measure.

Your Committee has amended this bill by replacing its substance with that of H.B. No. 1936, H.D. 1, a measure that passed out of your Committee earlier this session. The amended bill contains the provisions of the S.D. 1 and like the S.D. 1, takes effect on July 1, 2050. The H.D. 1 differs from the S.D. 1 in that it:

- (1) Requires PCA boards to provide notice of the formation of committees or subcommittees in meeting minutes;
- (2) Prohibits board members with a conflict of interest from voting;
- (3) Provides better access to association documents, minutes, financial statements, and other records;
- (4) Requires PCA boards to give notice of intent to assess the cost of duplicating or producing PCA records;
- (5) Mandates an annual audit of PCA accounts and that members be provided with copies; and
- (6) Authorizes the Department of Commerce and Consumer Affairs to hear and resolve member complaints, study PCA issues, and propose legislation to protect member interests.

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. 2193, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2193, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Caldwell, Kanoho, Morita, Sonson and Stonebraker.

**SCRep. 1073-06 Consumer Protection & Commerce/Judiciary on S.B. No. 3066**

The purpose of this bill is to partially even the playing field between lenders with in-state credit card businesses and those with out-of-state credit card businesses, by providing that Hawaii's 18 percent cap on credit card interest only applies to the simple interest numeric periodic rate and does not apply to credit card fees that are considered interest.

The Hawaii Bankers Association supported this bill. The Commissioner of Financial Institutions of the Department of Commerce and Consumer Affairs, Hawaii Credit Union League, and Hawaii Financial Services Association supported the intent of this bill.

Your Committees find that federal law gives banks the right to operate in other states using the credit card usury law of their home states. In Hawaii, credit card "interest" is capped at 18 percent, and is defined to include fees that are considered interest. This makes it difficult for banks to charge fees because of uncertainty as to whether a fee will be considered interest subject to the cap, and cause a usury violation. This uncertainty creates risks for Hawaii banks and disadvantages them in comparison to mainland competitors who charge fees without the same uncertainty.

Your Committees find that removing fees that are interest from the usury cap will help banks keep their credit card businesses in Hawaii and increase their competitiveness in the national credit card industry. Your Committees also note that this bill requires credit card companies to disclose both interest rates and fees to the consumer, and does not affect their credit card simple interest numeric periodic rates, which continue to be subject to the 18 percent limit.

Your Committees have amended this bill by:

- (1) Changing its effective date to upon approval; 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 Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3066, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3066, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 1074-06 Tourism & Culture on H.C.R. No. 42**

The purpose of this concurrent resolution is to request the Auditor to conduct a sunrise review of the proposed regulation of mixed martial arts in Hawaii.

The Professional and Vocational Licensing Division and the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs supported this measure and suggested amendments.

In light of testimony provided during the public hearing, your Committee has amended this measure by:

- (1) Clarifying that H.B. No. 3223 H.D.1 is the bill to be analyzed by the Auditor; 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 concurs with the intent and purpose of H.C.R. No. 42, as amended herein, and recommends that it be referred to the Committees on Finance and Legislative Management in the form attached hereto as H.C.R. No. 42, H.D. 1.

Signed by all members of the Committee except Representative Karamatsu.

**SCRep. 1075-06 Transportation/Public Safety & Military Affairs on H.R. No. 45**

The purpose of this resolution is to create a task force on motorcycle education to study and recommend whether the Department of Transportation should adopt the Basic Rider Course of the Motorcycle Safety Foundation as a comprehensive educational program for the entire

motorcycle riding community. The department of Transportation must report findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 2007.

As affirmed by the records of votes of the members of your Committees on Transportation and Public Safety & Military Affairs that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 45 and recommend that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Stonebraker.

**SCRep. 1076-06 Transportation/Public Safety & Military Affairs on H.C.R. No. 60**

The purpose of this resolution is to create a task force on motorcycle education to study and recommend whether the Department of Transportation should adopt the Basic Rider Course of the Motorcycle Safety Foundation as a comprehensive educational program for the entire motorcycle riding community. The department of Transportation must report findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 2007.

As affirmed by the records of votes of the members of your Committees on Transportation and Public Safety & Military Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 60 and recommend that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Stonebraker.

**SCRep. 1077-06 Transportation/Public Safety & Military Affairs on H.R. No. 11**

The purpose of this resolution is to urge the President and the Congress of the United States to explore the use of or passage over, under, or through Pearl Harbor to accommodate public transportation in a way that would allay military concerns, and that such consideration rises to the level of bearing "National Significance."

The Chamber of Commerce of Hawaii and a concerned citizen testified in support of this measure.

As affirmed by the records of votes of the members of your Committees on Transportation and Public Safety & Military Affairs that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 11 and recommend its adoption.

Signed by all members of the Committee except Representative Stonebraker.

**SCRep. 1078-06 Transportation/Public Safety & Military Affairs on H.C.R. No. 19**

The purpose of this resolution is to urge the President and the Congress of the United States to explore the use of or passage over, under, or through Pearl Harbor to accommodate public transportation in a way that would allay military concerns, and that such consideration rises to the level of bearing "National Significance."

The Chamber of Commerce of Hawaii and a concerned citizen testified in support of this measure.

As affirmed by the records of votes of the members of your Committees on Transportation and Public Safety & Military Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 19 and recommend its adoption.

Signed by all members of the Committee except Representative Stonebraker.

**SCRep. 1079-06 Transportation/Public Safety & Military Affairs on H.R. No. 38**

The purpose of this resolution is to set into motion a collaborative effort between the State Department of Transportation and The County Fire Chiefs to delegate the responsibilities concerning inspection of the Honolulu International Airport and other state airports. The Department of Transportation must report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2007 on their progress towards reaching a solution.

As affirmed by the records of votes of the members of your Committees on Transportation and Public Safety & Military Affairs that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 38 and recommend its adoption.

Signed by all members of the Committee except Representative Stonebraker.

**SCRep. 1080-06 Transportation/Public Safety & Military Affairs on H.C.R. No. 53**

The purpose of this resolution is to set into motion a collaborative effort between the State Department of Transportation and The County Fire Chiefs to delegate the responsibilities concerning inspection of the Honolulu International Airport and other state airports. The Department of Transportation must report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2007 on their progress towards reaching a solution.

The Department of Transportation and State Fire Council testified in support of this measure.

As affirmed by the records of votes of the members of your Committees on Transportation and Public Safety & Military Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 53 and recommend its adoption.

Signed by all members of the Committee except Representative Stonebraker.

**SCRep. 1081-06 Finance on H.B. No. 970**

The purpose of this bill is to help mitigate the aftermath of natural disasters by allowing the Governor, upon the declaration of an emergency, to release up to ten percent of the total moneys available in the Emergency and Budget Reserve Fund to provide assistance to residents and businesses that have sustained damage during or immediately after a natural disaster.

On March 17, 2006, the Governor sent a message requesting your immediate consideration and passage of this bill to appropriate emergency funding to "address the immediate emergency costs being incurred by various departments as a result of the recent devastation on Kauai[.]"

For purposes of the public hearing, your Committee circulated a proposed H.D. 1 version that deletes the provisions of the bill and inserts new language providing emergency appropriations as requested by the Governor.

The Department of Defense (DOD), Department of the Attorney General (AG), Department of Agriculture (DOA), Department of Transportation (DOT), and Department of Land and Natural Resources (DLNR) testified in support of the proposed draft.

After careful consideration, your Committee has amended this bill by deleting its substance and inserting the contents of the proposed H.D. 1 version along with certain reporting requirements. Specifically, this measure seeks to repair the damage and destruction caused by the storms that ravaged Hawaii during February and March 2006 and address related issues by, among other things:

- (1) Making emergency appropriations of:
  - (A) \$50,000 in general revenues to DOA;
  - (B) \$1,000,000 in general revenues to AG;
  - (C) \$2,000,000 in general revenues to DOD;
  - (D) \$5,284,000 in general revenues to DLNR;
  - (E) \$2,800,000 from the State Highway Fund (Highway Fund) to DOT; and
  - (F) \$3,200,000 in federal funds to DOT;and
- (2) Requiring detailed periodic reports to the Legislature concerning the expenditures.

As affirmed by the record of votes of 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. 970, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 970, H.D. 1.

Signed by all members of the Committee except Representatives Takamine and Stevens.

**SCRep. 1082-06 Agriculture on S.B. No. 3049**

The purpose of this bill is to protect Hawaii consumers from mislabeled or potentially unwholesome honey products by establishing labeling requirements for imported honey.

The Hawaii Beekeepers' Association, Triple F Distributing, Inc., The Source Natural Food Store, C&H Farms, and a concerned individual supported this bill. The Hawaii Farm Bureau Federation supported the intent of this bill. The Department of Agriculture (DOA) and Department of Health (DOH) submitted comments.

Although your Committee supports the intent of this bill, it is also cognizant of concerns raised by DOA and DOH regarding the appropriate state agency that would be responsible for implementing the regulatory provisions contained in this bill. DOH noted that it was not aware of significant health risks with respect to honey. In addition, DOH indicated that its Food Safety unit would require additional resources to carry out this bill's provisions, should this bill be amended to make DOH the regulating body. Your Committee respectfully requests the Committee on Consumer Protection & Commerce to review and address these concerns.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3049, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Stonebraker.

**SCRep. 1083-06 Agriculture on S.B. No. 2492**

The purpose of this bill is to protect Hawaii's farms by expanding the offense of criminal property damage to include intentional damage to agricultural or aquacultural equipment, supplies, or products.

The Department of Agriculture, Hawaii Beekeepers' Association, Alexander & Baldwin, Inc., Hawaiian Commercial & Sugar Company, Big Island Farm Bureau, Hawaii Aquaculture Association, Hawaii Cattlemen's Council, Hawaii Crop Improvement Association, Hawaii Farm Bureau Federation, Meadow Gold Dairies, Pineapple Growers Association of Hawaii, and C&H Farms supported this bill. The Maui County Farm Bureau supported this measure with amendments. The City and County of Honolulu Department of the Prosecuting Attorney and the Hawaii Agriculture Research Center supported the intent 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 S.B. No. 2492, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 1084-06     Agriculture on S.B. No. 3078**

The purpose of this bill is to improve planning for Hawaii's agricultural industry by requiring the Legislative Reference Bureau (LRB) to conduct a study to identify elements that should be included in the Hawaii Agribusiness Plan.

The Hawaii County Farm Bureau Federation supported this bill. The Maui County Farm Bureau supported the intent of this bill. The Hawaii Agriculture Research Center opposed this measure. The Department of Agriculture, Agribusiness Development Corporation, LRB, and Hawaii Coffee Association submitted comments.

Although your Committee supports efforts to plan for the future of agriculture in Hawaii, other organizations have already developed plans to address this matter. For example, the Hawaii Farm Bureau Federation has developed and published a report entitled "A Strategic Plan for Hawaii's Agriculture," released in May 2004. The report evaluates the agricultural production, marketing, and distribution issues facing Hawaii's agricultural industry and provides a roadmap to formulate a strategy to resolve these issues. Your Committee supports future legislative efforts to address whether the provisions of the bill are duplicative of existing plans for the agricultural industry.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3078, 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 Representative Stonebraker.

**SCRep. 1085-06     Agriculture on S.B. No. 2235**

The purpose of this bill is to encourage the growth of agricultural and aquacultural enterprises by increasing, from \$25,000 to \$50,000, the amount of agricultural and aquacultural loans that may be approved by the Chairperson of the Board of Agriculture (Chairperson).

The Department of Agriculture, Hawaii Aquaculture Association, Hawaii Farm Bureau Federation, Meadow Gold Dairies, and C&H Farms supported this bill. The Hawaii Agriculture Research Center and Pineapple Growers Association of Hawaii supported the intent of this measure.

Your Committee believes that additional support should be provided to support our small farms and has amended this measure by increasing the amount of agricultural and aquacultural loans that may be approved by the Chairperson to \$75,000. Technical, nonsubstantive amendments were also made for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2235, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2235, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1086-06     Agriculture on S.B. No. 2478**

The purpose of this bill is to encourage the growth and development of Hawaii's agricultural industry by appropriating an unspecified amount of funds for agricultural research and market development conducted by the Hawaii Farm Bureau Federation (HFBF).

The University of Hawaii, Alexander & Baldwin, Inc., Hawaiian Commercial & Sugar Company, Kauai Coffee Company, Inc., Big Island Farm Bureau, Hawaii Aquaculture Association, HFBF, Maui County Farm Bureau, Hawaii Cattlemen's Council, Meadow Gold Dairies, Pineapple Growers Association of Hawaii, C&H Farms, and the Hawaii Beekeepers' Association supported this bill. The Department of Agriculture and Hawaii Agriculture Research Center supported the intent of this measure.

In light of the importance of the research and market development activities performed by HFBF, your Committee has amended this measure by:

- (1)     Inserting an appropriation amount of \$1,000,000; and
- (2)     Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2478, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2478, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1087-06     Agriculture on S.B. No. 2954**

The purpose of this bill is to overhaul Hawaii's aging agricultural infrastructure by:



- (1) Establishing the Irrigation Repair and Maintenance Special Fund (Special Fund) to fund repair and maintenance of certain irrigation systems statewide;
- (2) Establishing the Irrigation Repair and Maintenance Special Fund Tax Credit (Tax Credit) for landowners who provide matching funds required to obtain funding from the Special Fund;
- (3) Authorizing and appropriating an unspecified amount of general obligation (GO) bonds to be deposited into and used for the purposes of the Special Fund; provided that the GO bonds are matched by an unspecified amount of federal funds;
- (4) Appropriating an unspecified amount of general funds for repair and maintenance of certain irrigation systems; and
- (5) Appropriating general funds for the Agribusiness Development Corporation (ADC) to pay for the operational, management, and administrative costs incurred by ADC.

The College of Tropical Agriculture and Human Resources of the University of Hawaii, Hawaii Farm Bureau Federation, Big Island Farm Bureau, East Kauai Water Users' Cooperative, Hawaii Cattlemen's Council, Meadow Gold Dairies, and C&H Farms supported this bill. The Maui County Farm Bureau, Alexander & Baldwin, Inc., Hawaiian Commercial & Sugar Company, and Pineapple Growers Association of Hawaii supported this measure with amendments. The Department of Taxation, Department of Agriculture, Office of Hawaiian Affairs, ADC, Hawaii Agriculture Research Center, and Land Use Research Foundation of Hawaii supported the intent of this bill. The Hawaii Coffee Association and Dole Food Company, Inc., supported the intent of this measure with amendments. The City and County of Honolulu Department of Planning and Permitting opposed this bill. The Department of Budget and Finance and Tax Foundation of Hawaii submitted comments.

Your Committee notes that although there is widespread support for the intent of this measure, numerous concerns have been raised regarding some of the specific provisions contained in this bill.

In light of these concerns, your Committee has amended this measure by:

- (1) Establishing that the Special Fund be administered by the Board of Agriculture (BOA) instead of the ADC;
- (2) Including the Wahiawa Reservoir and Ditch System in the list of specific irrigation systems that may receive funding from the Special Fund;
- (3) Increasing the number of irrigation systems that may receive funding from the Special Fund by removing the condition that other privately-owned irrigation systems be located on former sugarcane and pineapple plantation lands converted to diversified agriculture;
- (4) With respect to two of the requirements that a landowner must fulfill to apply for assistance from the Special Fund, clarifying that the landowner shall:
  - (A) Agree to file a petition for declaratory ruling designating a majority of all lands served by the water produced by the irrigation system as important agricultural lands; and
  - (B) Agree to use or provide for the use of a majority of all lands the landowner controls or owns that are served by the water produced by the irrigation system for agricultural production;
- (5) Broadening the scope of this measure by deleting references to "diversified agriculture" and replacing it with "agriculture" and defining "agriculture" to include sugarcane, pineapple, and silviculture;
- (6) Changing the expending agency for the Special Fund appropriation for repair and maintenance of irrigation systems to BOA instead of ADC;
- (7) With respect to the unspecified general fund appropriation for the repair and maintenance of certain irrigation systems:
  - (A) Changing the means of financing from general funds to GO bonds;
  - (B) Inserting a GO bond authorization and appropriation of \$11,886,000 while leaving the appropriation amounts for specified irrigation system blank;
  - (C) Changing the expending agency for this appropriation to BOA instead of ADC; and
  - (D) Specifying that this appropriation is needed for federal aid financing and/or reimbursement;
- (8) Deleting the appropriation for the operational, management, and administrative costs incurred by ADC and replacing it with an appropriation for the operational, management, and administrative costs incurred by BOA in carrying out the provisions of this bill; and
- (9) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2954, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2954, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Stonebraker.

**SCRep. 1088-06 Water, Land, & Ocean Resources on S.B. No. 2006**

The purpose of this bill is to conserve and protect our precious natural resources and ensure the sustainability of one of Hawaii's most sought-after delicacies by prohibiting the selling of opihi in a manner that also respects Hawaiian cultural practices.

The Office of Hawaiian Affairs, a member of the Maui County Council, The Nature Conservancy of Hawaii, and several concerned individuals supported this bill. The Department of Land and Natural Resources and Community Conservation Network supported this measure with amendments.

Your Committee has amended this bill by, among other things:

- (1) Deleting the provision that allowed a resident of any populated island that is privately owned and has a population of 500 or less to sell opihi; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2006, S.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2006, S.D. 3, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 1089-06 Water, Land, & Ocean Resources/Legislative Management on S.B. No. 2090**

The purpose of this bill is to establish legislative oversight, review, and approval of the Hawaii Community Development Authority's (HCDA's) master planning functions and development of community development districts prior to the expenditure of public funds on development district infrastructure (Legislative Oversight Provisions).

This bill also requires HCDA to adopt procedures that more actively engage the community in its plans and decision making, including:

- (1) Posting its proposed plans for development, public notice of its proceedings, and meeting minutes on its website;
- (2) Providing the public with the opportunity to testify at its decision-making hearings; and
- (3) Requiring its decisions relating to its community development rules and developer's proposals conform to requirements relating to the notice, decision-making hearing, and opportunity for public input (Community Input Provisions).

The Hui o Malama Kakaako Paka, REDWINGS Memorial Events Committee, Save Our Kakaako Coalition, Kakaako Business and Landowners Association, and many concerned individuals supported this bill.

For the purposes of the public hearing, your Committees circulated a proposed H.D. 1 that deletes the Legislative Oversight Provisions and retains only the Community Input Provisions.

A concerned individual testified in support of this draft. HCDA supported the intent of this draft. The Hui o Malama Kakaako Paka, Save Our Kakaako Coalition, Kakaako Business and Landowners Association, and several concerned individuals opposed this draft.

Upon further consideration, your Committees have also amended the proposed H.D. 1, by:

- (1) Requiring HCDA to notify the President of the Senate and Speaker of the House:
  - (A) Of any public hearing upon posting of the hearing notice; and
  - (B) With a report detailing the public's reaction at the public hearing, within one week after the hearing;
- (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 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 S.B. No. 2090, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2090, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Morita, B. Oshiro, Takai and Waters.  
(Representative Berg voted no.)

**SCRep. 1090-06 Health on S.B. No. 2297**

The purpose of this bill is to assure quality of services for mental health consumers by clarifying that mental health counselors are to render professional counseling services based on specialized education, training, and experience. This bill also sets terms and conditions for intern and post-graduate work.

The Department of Commerce and Consumer Affairs, Kaiser Permanente, Hawaii Rehabilitation Counseling Association, Sestak Rehabilitation Services, Alliance for Professional Counselor Licensure, and several concerned individuals supported this bill.

Your Committee finds that Hawaii is currently working on a community mental health services plan to ensure access to quality assistance for those who suffer from a mental disorder. Clarification of the practice of mental health counseling will ensure the public is protected while addressing the community's need for high-quality mental health assistance.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2297, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

**SCRep. 1091-06 Health on S.B. No. 2502**

The purpose of this bill is to continue to provide necessary dental health services to eligible elderly or disabled individuals by appropriating funds to continue implementation of the Donated Dental Services Program in Hawaii.

The State Council on Developmental Disabilities, Donated Dental Services Hawaii, Hawaii Disability Rights Center, Hawaii Dental Association, Hawaii Psychiatric Medical Association, and National Foundation of Dentistry for the Handicapped supported this bill.

Your Committee finds that many elderly or disabled people have serious dental problems because they cannot afford necessary treatment and public assistance is unavailable or difficult to find. The Donated Dental Services Program works towards meeting this need for those at-risk individuals and should be allowed to continue its services for Hawaii's people.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2502, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 1092-06 Health/Human Services on S.B. No. 2729**

The purpose of this bill is to improve dental health services in underserved areas of the state by establishing a dental care student loan repayment program as an incentive for dentists to serve in underserved communities and accept Med-QUEST and uninsured patients.

The Hawaii Dental Association, Hawaii Primary Care Association, and Hawaii Psychiatric Medical Association supported this bill. The Department of Health (DOH) supported the intent of this measure. The Department of the Attorney General provided comments.

Your Committees have amended this bill by, among other things:

- (1) Establishing the Dental Care Student Loan Repayment Program Special Fund to allow DOH to repay student loans for eligible dentists participating in the loan repayment program; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2729, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2729, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1093-06 Health/Human Services on S.B. No. 3202**

The purpose of this bill is to improve dental health by:

- (1) Expanding coverage under Medicaid and QUEST to include comprehensive dental care coverage for eligible persons who are 21 years of age or older; and
- (2) Appropriating funds to provide the additional coverage.

The Department of Human Services, State Council on Developmental Disabilities, Hawaii Primary Care Association, Hawaii Disability Rights Center, Arc in Hawaii, Hawaii Dental Association, Kokua Council, Molokai Community Health Center, Waipahu Aloha Clubhouse, Blueprint for Change, Hawaii Psychiatric Medical Association, Molokai Ohana Health Care, Inc., and several concerned individuals supported this bill.

Your Committees find that poor dental health equals poor overall health. Dental assistance must be easily available and accessible to those people who are at the greatest risk of poor dental health. Therefore, your Committees have amended this bill by removing its original contents and replacing it with the provisions from House Bill No. 3259, H.D. 1, which, among other things, offers a broader scope of dental health assistance by appropriating funds to establish community-based dental health clinics operated by community health centers or other community-based organizations to provide a continuum of dental care to QUEST eligible adults and children, the aged, blind, and disabled population.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3202, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3202, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1094-06 Health/Public Safety & Military Affairs on S.B. No. 2261**

The purpose of this bill is to improve the ability of law enforcement officers to conduct thorough criminal investigations by allowing law enforcement officers to inspect and receive certified copies of public health statistics records.

The Department of the Attorney General supported this bill.

Your Committees find that it is important that our law enforcement officers not be hampered in the performance of their duties and should be given the tools they need to ensure our public health and safety.

Your Committees have amended this bill by:

- (1) Changing the effective date to July 1, 2009, to encourage further discussion; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Public Safety & Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2261, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2261, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Nishimoto, Shimabukuro, Souki, Yamane and Stonebraker.

#### **SCRep. 1095-06 Hawaiian Affairs/Housing on S.B. No. 3119**

The purpose of this bill is to provide the Hawaiian Homes Commission (HHC) with the necessary flexibility and authority to manage, invest, and reinvest funds to earn a higher return for moneys in the Hawaiian Home Lands Trust Fund (Trust Fund) by authorizing HHC to deposit moneys contained in the Trust Fund in depositories other than the state treasury. This measure also:

- (1) Establishes that the moneys deposited into depositories other than the state treasury be exempt from the requirements of Chapters 36 (management of state funds) and 38 (deposits of public funds), Hawaii Revised Statutes (HRS); and
- (2) Authorizes HHC to invest Trust Fund moneys and hold, purchase, sell, assign, transfer, or dispose of any securities and investments and any proceeds from investments in which trust fund moneys have been invested.

The Department of Hawaiian Home Lands (DHHL) testified in support of this bill with amendments. The Department of Budget and Finance opposed the measure in part and suggested amendments.

Your Committees note that while the separation of Trust Fund moneys from the state treasury may provide DHHL the opportunity to earn a higher rate of return from investments, DHHL's financial management capabilities should still be evaluated. As it has been four years since the Auditor last conducted a financial audit of DHHL, an updated financial audit should clear up any misconception of DHHL's money management skills. Accordingly, your Committees request that a financial audit of the moneys in the Trust Fund be conducted by the Auditor.

Your Committees also believe the insertion of a sunset provision would allow time for DHHL, the trust beneficiaries, and the Legislature to examine the results of the financial audit and determine whether the separation of Trust Fund moneys from the state treasury is in the best interests of DHHL and the trust beneficiaries. If the audit does not return with a clean bill of health, the provisions of this bill would then sunset.

Your Committees have amended this bill by:

- (1) Clarifying that the Trust Fund is not placed in the treasury of the State;
- (2) Removing the provision that moneys from the Trust Fund that are deposited into depositories other than the state treasury be exempted from the requirements of chapters 36 and 38, HRS;
- (3) Changing the effective date to July 1, 2050, and inserting a sunset provision of four years; 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 Hawaiian Affairs and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3119, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3119, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Harbin, Kawakami, Morita, Schatz, Sonson and Waters.

#### **SCRep. 1096-06 Transportation on S.B. No. 2901**

The purpose of this bill is to allow all counties to assess, impose, levy, collect, and transfer to the Department of Transportation (DOT) impact fees relating to state highway improvements.

The Mayor of the County of Hawaii testified in support of this bill.

As counties become more developed, there is a need for infrastructure to support these new developments. Currently, only the City and County of Honolulu is authorized to assess impact fees as a condition for building permits for improvements to serve new developments. However, new developments are being built in every county which impact every county, and ultimately state transportation plans and projects. Allowing for the collection of these impact fees will assist in the development of needed transportation infrastructure.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2901 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yamane.

**SCRep. 1097-06 Education on S.B. No. 2505**

The purpose of this bill is to prevent alcohol and drug abuse among our youth by appropriating funds to extend adolescent school-based substance abuse treatment programs to middle and intermediate schools, with priority given to schools with the greatest need.

The Hawaii State Teachers Association, Kalihi YMCA, Hawaii Youth Services Network, Alliance of Automobile Manufacturers, and a concerned individual testified in support of this bill. The Department of Education and Department of Health 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 S.B. No. 2505, S.D. 2, and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1098-06 Education on S.B. No. 2724**

The purpose of this bill is to establish and appropriate funds for the Hawaii 3-5 Transition Task Force to research, design, and develop an implementation plan to provide a continuum of services for children ages three to five who may require early intervention, special education, or related services.

The Department of Education, State Council on Developmental Disabilities, and Hawaii Early Intervention Coordinating Council testified in support of this bill. Cure Autism Now Foundation, Hawaii Chapter, supported this measure with amendments. The Department of Health supported the intent of this bill. Two concerned individuals offered comments.

Your Committee notes that concerns were raised regarding the need to provide educational services appropriate to a child's developmental age, and not only appropriate to the child's chronological age.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2724, S.D. 2, H.D. 1, and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1099-06 Education on S.B. No. 3054**

The purpose of this bill is to alleviate the lack of facilities for Hawaii's charter schools by:

- (1) Providing seed money to establish the Charter School Facilities Fund Partnership (Partnership); and
- (2) Allowing the State to enter into leases with charter schools at rates comparable to other state agencies.

The Board of Education and a concerned individual testified in support of this bill. The Charter School Administrative Office (CSAO) supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Changing the expending agency for funds to plan, organize, and develop the Partnership, from the Department of Education to CSAO; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3054, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3054, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1100-06 Education/Public Safety & Military Affairs on S.B. No. 2886**

The purpose of this bill is to honor our armed forces veterans and certain others affected by war by directing the Department of Education (DOE) to establish a program to award graduate equivalency diplomas to armed forces veterans drafted during World War II and to individuals whose schooling was interrupted due to wartime practices such as internment.

The Advisory Board on Veterans Services, Hawaii National Guard Association, Hawaii National Guard Enlisted Association, The Chamber of Commerce of Hawaii, and a concerned individual supported this bill. DOE supported the intent of this measure. The Office of Veterans Services offered comments.

Your Committees have amended this bill by:

- (1) Removing veterans of the Korean and Vietnam wars from the definition of "qualified veteran," because during those periods, your Committee is unaware of any individuals who were drafted into the military while they were still attending high school;

- (2) Allowing DOE, for the purposes of this bill, to establish rules exempt from Chapter 91, Hawaii Revised Statutes, provided that the rules are subject to approval by the Board of Education; 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 Public Safety & Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2886, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2886, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1101-06 Health on S.B. No. 2503**

The purpose of this bill is to keep our children safe from the lure of cigarettes and their harmful effects by banning the sale and distribution of cigarettes with added flavorings.

The Department of the Attorney General, Department of Health, American Cancer Society, American Heart Association, American Lung Association, and Coalition for a Tobacco Free Hawaii supported this bill.

Your Committee finds that children are especially vulnerable to the addictive habit of smoking and using tobacco products especially when these products are made to taste like candy. To provide a greater amount of protection to our youth, your Committee has amended this bill by replacing its contents with those of House Bill No. 2048 which, among other things:

- (1) Prohibits the sale or distribution of all flavored tobacco products with the exception of cigars;
- (2) Deletes the provision that each act of sale or distribution will be considered a separate violation;
- (3) Changes the effective date to January 1, 2007; 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 S.B. No. 2503, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2503, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Nishimoto.

**SCRep. 1102-06 Human Services on S.B. No. 2333**

The purpose of this bill is to make an emergency appropriation of \$416,718 to adequately fund general assistance (GA) payments for the remainder of the 2005-2006 fiscal year.

The Department of Human Services (DHS) and National Association of Social Workers, Hawaii Chapter, testified in support of this bill.

DHS testified that based on current projections that assume a monthly expenditure of \$418 per disabled GA client, it will expend all appropriations by April 2006. This measure is necessary to ensure adequate benefits to GA recipients for the remainder of this fiscal year.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2333, 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 Kahikina, Halford and Stonebraker.

**SCRep. 1103-06 Human Services on S.B. No. 2189**

The purpose of this bill is to promote the role of fathers in children's lives by appropriating funds for the Commission on Fatherhood (Commission).

The Department of Human Services, the Commission, Hawaii Coalition for Dads, Children's Rights Council, West Hawaii Fatherhood Initiative, and several concerned individuals testified in support of this bill.

Your Committee finds that the Commission is a key organization responsible for developing policy recommendations, increasing community responsibility and awareness regarding the relationship between fathers and children, providing continued educational resources for fathering, and countless other important functions. This bill will help to ensure the continued operation of the Commission.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2022, 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2189, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2189, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1104-06 Human Services/Health on S.B. No. 2507**

The purpose of this bill is to provide healthcare to more individuals by eliminating the QUEST enrollment cap and appropriating funds to expand healthcare coverage under QUEST.

The Department of Human Services, Hawai'i Primary Care Association, Healthcare Association of Hawaii, and Ko'olauloa Community Health and Wellness Center testified in support of this bill.

Your Committees have amended this bill by:

- (1) Changing the effective date to July 1, 2022, 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 Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2507, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2507, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1105-06 Human Services/Health on S.B. No. 3205**

The purpose of this bill is to expand medical coverage under medical assistance programs administered by the Department of Human Services (DHS) by requiring those programs to cover chiropractic services for the three-year fiscal period of 2006-2009, provided that DHS is authorized to negotiate rates or establish payment and reimbursement rates as appropriate.

This measure also directs the Director of Human Services to submit an impact report to the Legislature by 2009.

DHS, Hawaii State Chiropractic Association, and numerous concerned individuals testified in support of this bill.

Your Committees have amended this bill by changing the effective date from July 1, 2060, to July 1, 2022.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3205, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3205, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1106-06 Judiciary/Labor & Public Employment on S.B. No. 301**

The purpose of this bill is to support the Hawaii Civil Rights Commission by appropriating funds for the establishment of the following positions:

- (1) One investigator IV (1.00 FTE);
- (2) One legal assistant (1.00 FTE); and
- (3) One attorney mediation coordinator (1.00 FTE).

The Hawaii Civil Rights Commission and a concerned individual testified in support of this bill.

As affirmed by the records of votes of the members of your Committees on Judiciary and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 301, S.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho, Morita, M. Oshiro, Shimabukuro, Meyer and Thielen.

**SCRep. 1107-06 Judiciary on S.B. No. 995**

The purpose of this bill is to propose a constitutional amendment repealing the mandatory retirement age of 70 for all state court justices and judges.

AARP Hawaii and a concerned individual supported this bill. The Department of the Attorney General opposed this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 995, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 1108-06 Judiciary on S.B. No. 2141**

The purpose of this bill is to support sexual assault services by appropriating funds to the Department of the Attorney General for these services in the state.

The Attorney General, Department of the Prosecuting Attorney of the City and County of Honolulu, Sex Abuse Treatment Center, YWCA of Kauai, and a concerned individual testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2141, 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 Kanoho, Morita and Marumoto.

**SCRep. 1109-06      Judiciary on S.B. No. 2433**

The purpose of this bill is to appropriate funds for grants-in-aid to the Prosecuting Attorney's office in each county for the Career Criminal Prosecution units and the Victim Witness Assistance programs.

The Crime Victim Compensation Commission, Department of the Prosecuting Attorney of the City and County of Honolulu, Office of the Prosecuting Attorney of the County of Hawaii, Office of the Prosecuting Attorney of the County of Kauai, Department of the Prosecuting Attorney of the County of Maui, Mothers Against Drunk Driving, Na Loio Immigrant Rights and Public Interest Legal Center, and The Sex Abuse Treatment Center testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2433, 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 Kanoho, Morita and Marumoto.

**SCRep. 1110-06      Judiciary on S.B. No. 2598**

The purpose of this bill is to enable the Judiciary to continue collecting fees authorized under Act 230, Session Laws of Hawaii 2004 (Act 230), for electronic filing, signing, serving, certification, and verification of court documents by extending the repeal date of Act 230 to December 31, 2008. The fees are deposited into the Judiciary Computer System Special Fund.

The Judiciary testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2598 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho and Morita.

**SCRep. 1111-06      Judiciary on S.B. No. 696**

The purpose of this bill is to amend the law on criminal history record checks by:

- (1) Providing a new, single fee for criminal history record checks by name, fingerprints, and other identifying information conducted by the Hawaii Criminal Justice Data (Center) and other state and county agencies;
- (2) Clarifying the electronic means by which a person may conduct a criminal history record name inquiry;
- (3) Expanding the criminal history record check fee exemption to include nonprofit organizations for record checks conducted on adult volunteers who have direct contact with the elderly or the disabled; and
- (4) Authorizing the Center to establish, by rules, reasonable fees for services provided.

The Department of the Attorney General supported this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2006, to reflect the current year; and
- (2) Making technical nonsubstantive amendments for consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 696, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 696, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho and Morita.

**SCRep. 1112-06      Judiciary on S.B. No. 785**

The purpose of this bill is to allow public meetings by video teleconferencing to continue even if the video portion of the transmission is interrupted or stopped.



The Office of Information Practices and Hawaii Health Systems Corporation testified in support of this bill.

Your Committee concurs with the basic intent of this bill but finds that, as drafted, certain provisions need greater clarity. Currently, a videoconference meeting must be terminated if both the audio and video transmissions cannot be maintained at all meeting locations. This bill initially requires that a videoconference meeting be terminated if just the audio transmission cannot be maintained. However, it then specifies the criteria that must be met to allow such a meeting to proceed with only the audio transmission.

Accordingly, your Committee has amended this bill by:

- (1) Restoring the requirement that a videoconference meeting shall be terminated if both the audio and video transmissions cannot be maintained;
- (2) Changing the effective date to July 1, 2006, to promote further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity and consistency.

As amended, a videoconference meeting must be terminated when both the audio and video transmissions cannot be maintained at all meeting locations. However, a meeting may continue with just the audio transmission alone if certain criteria are met.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 785, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 785, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanohe and Morita.

**SCRep. 1113-06 Judiciary on S.B. No. 1380**

The purpose of this bill is to protect small businesses in Hawaii and help them achieve success through awareness of their rights by setting forth a "Small Business Bill of Rights."

The Small Business Regulatory Review Board, National Federation of Independent Businesses in Hawaii, and Hawaii Business League testified in support of this bill. The International Brotherhood of Electrical Workers supported this bill with amendments. The Department of Business, Economic Development, and Tourism and Department of Commerce and Consumer Affairs supported the intent of this measure. The Office of the Ombudsman offered comments.

Concerns were raised that this measure lacks sufficient provisions applying to county agencies.

Your Committee has amended this bill by:

- (1) Removing the private cause of action for violations of the Small Business Bill of Rights; 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 S.B. No. 1380, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 1380, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Kanohe and Morita.

**SCRep. 1114-06 Judiciary on S.B. No. 1512**

The purpose of this bill is to take steps to reduce domestic violence by authorizing the Director of Health to establish domestic violence fatality review teams to conduct multidisciplinary and multiagency reviews of domestic violence fatalities.

The Department of Health, Department of the Attorney General, Judiciary, Office of the Prosecuting Attorney of the County of Kauai, Hawaii State Coalition Against Domestic Violence, and Domestic Violence Clearinghouse and Legal Hotline testified in support of this bill. The Prosecuting Attorney of the County of Hawaii supported this measure with amendments.

Your Committee has amended this bill by, among other things:

- (1) Adding definitions for:
  - (A) "Dating relationship";
  - (B) "Domestic violence";
  - (C) "Extreme psychological abuse"; and
  - (D) "Malicious property damage";
- (2) Expanding the definition of "family" to include other household members and certain persons not part of the household;
- (3) Clarifying that domestic violence fatality review information and statistical compilations of data that:
  - (A) Does not contain any information that would permit the identification of any person; and

(B) Was not previously publicly disclosed;

shall be public record; 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 S.B. No. 1512, S.D. 1, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 1512, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Kanoho and Morita.

**SCRep. 1115-06 Judiciary on S.B. No. 2489**

The purpose of this bill is to amend the current forfeiture law by adding the following offenses to the Hawaii Penal Code that are subject to forfeiture:

- (1) Unlawful methamphetamine trafficking; and
- (2) Manufacturing of a controlled substance with a child present.

The Department of the Attorney General and the Honolulu Police Department testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2489 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 Morita.

**SCRep. 1116-06 Judiciary on S.B. No. 2591**

The purpose of this bill is to eliminate the requirement that a party must first file a motion for reconsideration before initiating an appeal of an order under the Child Protective Act.

The Attorney General, Department of Human Services, and Judiciary testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2591, 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 Morita.

**SCRep. 1117-06 Judiciary on S.B. No. 2601**

The purpose of this bill is to enhance privacy protection measures by requiring that certain documents be sealed upon filing in any action or proceeding in the circuit court having jurisdiction over matters relating to the affairs of decedents.

The Standing Committee on the Uniform Probate Code and Probate Court Practices of the Judiciary of the State 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 S.B. No. 2601 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 Morita.

**SCRep. 1118-06 Judiciary on S.B. No. 2604**

The purpose of this bill is to remove the chief judge's discretion to assign judges to an intermediate appellate court panel.

The Judiciary testified in support of this bill. The Recorder of the Appellate Review Task Force offered comments.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2604 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 Morita.

**SCRep. 1119-06 Judiciary on S.B. No. 2255**

The purpose of this bill is to add crimes that include deception as an element to the group of offenses where prosecution may commence up to three years after discovery of the offense, although the statute of limitation has expired.

The Attorney General, Honolulu Police Department, and Department of the Prosecuting Attorney for the County of Maui supported this bill.

Your Committee has amended this bill by:

- (1) Inserting a savings clause to exclude matters that existed prior to the effective date of this Act; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2255, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2255, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Kanohe, Morita and Marumoto.

**SCRep. 1120-06 Judiciary on S.B. No. 2430**

The purpose of this bill is to maintain the accuracy of voter registration records by establishing and standardizing certain reports to the county clerks concerning persons who are ineligible to vote while imprisoned for a felony.

Specifically, this bill:

- (1) Directs the Hawaii Paroling Authority to promptly report the granting or revocation of an adult citizen's parole to the clerk of the county in which the person resides;
- (2) Directs the Judiciary 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 clerk of the county in which the citizen resides; and
- (3) Sets forth minimum information that must be included in the reports.

The Office of Elections, Office of the County Clerk of the County of Maui, Elections Division of the Office of the County Clerk of the County of Hawaii, Elections Office of the City Clerk of the City and County of Honolulu, and Elections Division of the Office of the County Clerk of the County of Kauai testified in support of this bill. The Judiciary and Office of the Public Defender offered comments.

Your Committee has amended this bill by:

- (1) Deleting the purpose section;
- (2) Limiting the court reports to the county clerk to cases involving adult citizens who are:
  - (A) Convicted of any felony and sentenced to a term of imprisonment; or
  - (B) Adjudged legally incompetent;
- (3) Amending the Judiciary's reporting requirements as follows:
  - (A) 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
  - (B) 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;
- (5) Changing the effective date to January 1, 2006, to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2430, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2430, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Kanohe and Morita.

**SCRep. 1121-06 Judiciary on S.B. No. 2506**

The purpose of this bill is to:

- (1) Abolish the Reproductive Rights Protection (RRP) Committee; and
- (2) Provide for a resource list of advisors to assist the Family Court, as needed, on sterilization issues relating to incapacitated adults.

The Disability and Communication Access Board, Judiciary, and State Council on Developmental Disabilities supported this bill.

Your Committee has amended this bill by:

- (1) Repealing the reference to the RRP Committee in section 560:5-612, Hawaii Revised Statutes;
- (2) Inserting a savings clause; 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 S.B. No. 2506, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2506, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Kanoho, Morita and Marumoto.

**SCRep. 1122-06     Judiciary on S.B. No. 2603**

The purpose of this bill is to provide district court judges with the flexibility to impose enhanced sentences on drivers who drive without motor vehicle insurance.

The Judiciary and the Office of the Public Defender testified in support of this bill.

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 S.B. No. 2603, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2603, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Kanoho and Morita.

**SCRep. 1123-06     Judiciary on S.B. No. 2924**

The purpose of this bill is to enhance protection of animals by:

- (1) Giving law enforcement officers authority to enter premises and impound an animal when there is probable cause to believe the animal is being subjected to cruel treatment; and
- (2) Allowing a court to order the forfeiture of an impounded animal prior to a criminal action against its owner unless the owner pays to cover the costs involved in caring for the impounded animal.

The Hawaiian Humane Society, Kauai Humane Society, Maui Humane Society, Humane Society of the United States, and numerous concerned individuals supported this bill. The Office of the Public Defender and Animal CARE Foundation opposed this measure.

Your Committee has amended this bill by:

- (1) Clarifying that the provisions of this bill apply only to pet animals, meaning dogs, cats, rabbits, guinea pigs, domestic rats or mice, or caged birds referred to in this bill;
- (2) Prohibiting any forfeited pet animal from being destroyed prior to disposition of the criminal charges unless the animal is so severely injured that it cannot be saved;
- (3) Requiring additional deposit or bond from the pet owner to pay for animal care expenses if a trial is extended;
- (4) Distinguishing the forfeiture of a pet animal under this section from forfeiture of property pursuant to Chapter 712A, Hawaii Revised Statutes; and
- (5) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2924, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2924, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Kanoho and Morita.

**SCRep. 1124-06     Judiciary on S.B. No. 2941**

The purpose of this bill is to increase brush fire prevention by:

- (1) Establishing as a class C felony, the new offense of "criminal property damage caused by brush fire;"
- (2) Permitting the court to assess a defendant found guilty of the crime the cost of extinguishing the brush fire; and
- (3) Holding a parent or guardian of a minor who sets a brush fire liable for the cost of damages attributable to the minor.

The Department of Land and Natural Resources, Honolulu Fire Department, State Fire Council, Honolulu Police Department, and Nature Conservancy of Hawaii testified in support of this bill. The Office of the Public Defender opposed this measure.

Your Committee has amended this bill by:

- (1) Changing the term "area" to "region" with regard to the performance of community service at the location the property damage occurred;
- (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 S.B. No. 2941, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2941, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Kanohe and Morita.

**SCRep. 1125-06 Consumer Protection & Commerce on S.B. No. 2283**

The purpose of this bill is to improve the insurance laws by updating and conforming insurer examination and commercial general liability extended reporting requirements to the most current National Association of Insurance Commissioners Model Acts and Model Regulations.

The Insurance Commissioner (Commissioner) of the Department of Commerce and Consumer Affairs supported this bill.

Your Committee has amended this bill by:

- (1) Replacing its substance with that of H.B. No. 2320, H.D. 1; and
- (2) Changing its effective date to July 1, 2050.

As amended, this bill's effective date differs from the S.D. 1. The bill also differs in that it:

- (1) Contains a new part requiring insurers to annually file financial audits with the Commissioner and establishing standards for the audit (section 1);
- (2) Deletes the requirement that in accident and health or sickness insurance policies, any disclaimer of liability for losses caused because the insured is under the influence of liquor or drugs must be phrased in a certain manner (section 9);
- (3) Makes technical amendments to a section in the Insurance Code rate regulation article, which provides that after the establishment of Hawaii Mutual Insurers' Company, workers' compensation insurers may not join with other insurers to apportion assigned risk coverages among themselves (section 11); and
- (4) Contains technical, nonsubstantive differences.

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. 2283, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2283, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Caldwell, Kanohe, Morita, Sonson and Stonebraker.

**SCRep. 1126-06 Water, Land, & Ocean Resources on S.B. No. 2501**

The purpose of this bill is to protect the fish stocks and coral reef habitats in the Ha'ena ahupua'a on the island of Kauai by establishing a community-based subsistence fishing area in state waters adjacent to the Ha'ena ahupua'a.

The Department of Land and Natural Resources (DLNR), Hanalei Watershed Hui, Limahuli Garden and Preserve, Community Conservation Network, and concerned individuals testified in support of this bill. The Ocean Tourism Coalition supported this measure with amendments.

Your Committee has amended this bill by:

- (1) Requiring DLNR, in developing a management plan, to recognize marine activities allowed by DLNR;
- (2) Extending the effective date of the statutory prohibition against net fishing in Kahului Harbor (Harbor) to June 30, 2007, and repealing the statutory prohibition when DLNR adopts rules regulating user conflicts in the Harbor. This amendment will allow DLNR adequate time to adopt the necessary rules to carry out the provisions of Act 218, Session Laws of Hawaii 2005; 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 S.B. No. 2501, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2501, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 1127-06     Judiciary on S.B. No. 706**

The purpose of this bill is to protect the health and safety of the people of Hawaii by addressing the dangers associated with underage drinking and driving. Among other things, this bill requires the suspension of driving privileges for persons under 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 17 years of age or for 180 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, Department of the Attorney General, Department of Health, Department of the Prosecuting Attorney of the City and County of Honolulu, Honolulu Police Department, The Century Council, Distilled Spirits Council of the United States, Mothers Against Drunk Driving Hawaii, Youth in Action, Coors Brewing Company, and concerned individuals supported this bill. The Department of Education supported the intent of this measure. The Office of the Public Defender opposed this bill. DIAGEO offered comments.

Your Committee has amended this bill by:

- (1) Adding suspension provisions for persons with provisional licenses and instruction permits;
- (2) Authorizing the Family Court to suspend a violator's driver's license, provisional license, instruction permit, or the eligibility to obtain a driver's license, provisional license, or instruction permit;
- (3) Clarifying that individuals who promote liquor to minors are persons who knowingly sell, offer for sale, influence the sale, serve, deliver, or give intoxicating liquor to a person under the age of 21;
- (4) Changing the effective date to January 1, 2006, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 706, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 706, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Kanoho and Morita.

**SCRep. 1128-06     Judiciary on S.B. No. 826**

The purpose of this bill is to expand the list of persons who are authorized to take a victim of child abuse into protective custody and are required to report cases of child abuse to include employees and officers of the Department of Public Safety (DPS).

The Department of Human Services and DPS testified in support of this bill.

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 S.B. No. 826, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 826, H.D. 2.

Signed by all members of the Committee except Representatives Kanoho and Morita.

**SCRep. 1129-06     Judiciary on S.B. No. 895**

The purpose of this bill is to protect Hawaii's marine environment, while preserving a sustainable supply of limu by:

- (1) Establishing a limu management area along the shoreline of Ewa Beach, Oahu; and
- (2) Creating an advisory group to assist the Department of Land and Natural Resources (DLNR) in determining best management practices for conservation and restoration of the limu management area.

The Director of the Marine Option Program at the University of Hawaii and a concerned individual testified in support of this bill. DLNR did not support this measure because it is already working on rules to establish a limu management area, with input from the community. One concerned individual offered comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to December 31, 2007; 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 S.B. No. 895, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 895, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Kanoho and Morita.

**SCRep. 1130-06 Health on S.B. No. 2226**

The purpose of this bill is to continue to provide dental health services in underserved areas by making permanent a community service licensing arrangement that allows dentists and hygienists licensed in other states to practice at eligible dental clinic sites. This bill also allows the community service license for dentists to be renewed every two years instead of annually.

The Department of Health, Hawaii Dental Association, Hawaii Primary Care Association, Board of Dental Examiners, Kalihi-Palama Health Center, Hoola Lahui Hawaii, and a concerned individual supported this bill.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2226 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. 1131-06 Health on S.B. No. 2296**

The purpose of this bill is to improve current guidelines for qualification and licensure of nurses by:

- (1) Providing for the automatic forfeiture of a license that, among other things, is not renewed in a timely manner;
- (2) Imposing a two-year restoration period for forfeited licenses;
- (3) Creating an inactive license status; and
- (4) Adding continued education as an alternative form of proof of continued competence for nurses who wish to activate their licenses after not having practiced nursing in the United States (U.S.) or U.S.-governed territories for more than five years.

The Board of Nursing and a concerned individual supported this bill.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2296, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

**SCRep. 1132-06 Health on S.B. No. 3262**

The purpose of this bill is to improve the protection of the public's health and welfare by prohibiting smoking in public places and places of employment, ensuring a consistent level of basic protections statewide from exposure to secondhand smoke while allowing for county laws that have greater restrictive ability to take precedence.

The Department of Health; Department of Accounting and General Services; University of Hawaii; American Cancer Society; American Heart Association; Coalition for a Tobacco Free Hawaii; American Lung Association of Hawaii; Castle Medical Center; Hawaii Medical Service Association; Kaiser Permanente; Hawaii Association of Health Plans; Hawaii Primary Care Association; Healthy Mothers, Healthy Babies; Coalition of Hawaii; Kalihi-Palama Health Center; Hawaii Island Tobacco-Free Partnership, East Hawaii; Tobacco Free Hawaii Coalition; Mililani Town Anti-Drug Committee; American College of Obstetricians and Gynecologists, District VIII, Hawaii Section; Laborers International Union of North America; Local 368, AFL-CIO; numerous students from Kapaa High School; and numerous concerned individuals supported this bill. A concerned individual opposed this measure.

Your Committee finds that with the substantial amount of data showing the harmful effects of secondhand smoke, it is essential that the people who visit and are required to be in public places and places of employment be assured a strong level of safety from this toxin. Your Committee notes concerns regarding the definition of "enclosed or partially enclosed area" as used in this bill and feels this definition should be looked into further to add a greater level of clarity.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3262, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 1133-06 Health/Human Services on S.B. No. 2713**

The purpose of this bill is to ensure the safety of our vulnerable elderly population by appropriating funds to the Executive Office on Aging's SageWatch Program (Program) to adopt the Kupuna ID project.

The Department of the Attorney General, County of Kauai's Agency on Elderly Affairs, and Kauai Search and Rescue supported this bill. The Executive Office on Aging supported the intent of this measure.

Your Committees find that it is a worthwhile endeavor to place the safety and security of our elderly community as a priority by providing the Executive Office on Aging the tools it needs to coordinate an identification program that will ensure that those elderly who become lost and confused will have a greater chance of being identified and returned to their loved ones.

Your Committees have amended this bill by, among other things:

- (1) Removing the provision for hiring a specified number of positions for this Program;
- (2) Changing the appropriation amount to \$1 to encourage further discussion; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2713, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2713, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1134-06 Transportation on S.B. No. 2662**

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 limits 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 testified in support of this bill. HMSHost and the Legislative Committee for the Airports Concessionaires Committee supported this measure with amendments.

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.

Your Committee has amended this bill by:

- (1) Clarifying that the ability afforded DOT to modify lease terms shall apply to concession leases that did not receive rent relief after April 30, 2002, by way of negotiations or pursuant to Act 201, Session Laws of Hawaii 2004; 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 S.B. No. 2662, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2662, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yamane.

**SCRep. 1135-06 Human Services on S.B. No. 2474**

The purpose of this bill is to provide support and assistance to former foster children between the ages of 18 and 24 by appropriating funds to assist them in the areas of job placement, skills training, education, and housing.

The Hawaii Youth Services Network and a concerned individual testified in support of this bill. The Office of Youth Services supported the intent of this measure.

Your Committee recognizes that former foster children experience unique difficulties and that the assistance to be provided in this bill will minimize emotional trauma, increase their overall transition, and help ensure success.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2022, 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2474, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2474, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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



**SCRep. 1136-06 Human Services/Health on S.B. No. 3229**

The purpose of this bill is to enable elderly and disabled individuals to remain in their own homes and avoid premature placement in costly nursing facilities by appropriating funds to support and expand the chore services program.

The Policy Advisory Board for Elder Affairs supported this bill. The Department of Health supported the intent of this bill.

Your Committees have amended this measure by:

- (1) Changing its effective date to July 1, 2022, 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 Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3229, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3229, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1137-06 Human Services on S.B. No. 3233**

The purpose of this bill is to allow more flexibility to parents sharing custody of a child by allowing the parents to revise and amend the existing parenting plan under certain circumstances.

Several concerned individuals supported this bill with amendments.

Your Committee finds that there are situations where parents sharing custody of a child have difficulty meeting some of the stipulations of a parenting plan. For example, if a child is involved in extracurricular activities, the time of transference from one parent to the other may differ from the plan and may jeopardize the ability of the child to spend time with both parents.

Your Committee received testimony requesting amendments to clarify the measure, and also expressed concern over the scope of changes the parents would be authorized to make without court intervention.

Accordingly, your Committee has amended this bill by:

- (1) Clarifying that the parties may amend the existing parenting plans themselves, upon agreement;
- (2) Specifying that the parents are not allowed to change the parenting plan with regard to child support and the awarding of custody of the child; and
- (3) Allowing, instead of requiring, the parents to file the revised parenting plan with the court.

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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3233, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3233, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 1138-06 Human Services on S.B. No. 2188**

The purpose of this bill is to amend the composition of the State Commission on Fatherhood (Fatherhood Commission) by replacing the Director of the Office of Children and Youth with the Director of Public Safety (DPS).

The Department of Human Services, Fatherhood Commission, Children's Rights Council, Hawaii Coalition for Dads, and West Hawaii Fatherhood Initiative supported this bill.

Your Committee recognizes that the Fatherhood Commission promotes healthy family relationships between parents and children. DPS and Family Court play critical roles to families and their representation would help to enhance the effectiveness of the Fatherhood Commission.

Accordingly, your Committee has amended this bill by:

- (1) Adding an administrator of the Family Courts as a member of the Fatherhood Commission and increasing the number of members to 16 to reflect the addition; 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 S.B. No. 2188, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2188, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1139-06 Human Services/Judiciary on S.B. No. 2334**

The purpose of this bill is to make an emergency appropriation of \$1,320,000 to the Hawaii Youth Correctional Facility (HYCF) for the current fiscal year.

The Department of Health (DOH), Office of Youth Services (OYS), and Hawaii Disability Rights Center testified in support of this bill. The Attorney General (AG) suggested amendments.

The AG offered a proposed draft that would increase the emergency appropriation amount to \$6,854,844. DOH and OYS expressed support for the proposed draft. The AG stated that the proposed draft is in response to the United States Department of Justice (DOJ) investigation of HYCF, and the funds are to be distributed between the Department of Human Services, DOH, and Department of Education. However, DOJ did not require or approve this appropriation.

While committed to ensuring that adequate services and programs are provided to youth under the care of HYCF, your Committees are not convinced that there is reasonable justification for the significant amount of funds requested in the AG's proposed draft as an emergency appropriation. Additionally, your Committees were not given adequate time to review and consider the AG's proposal.

Accordingly, your Committees have amended this bill by:

- (1) Removing the appropriation amount;
- (2) Changing the effective date to July 1, 2022, to encourage further discussion; 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 Human Services and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2334, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2334, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Caldwell, Kahikina, Kanoho, Karamatsu, B. Oshiro and Stonebraker.

**SCRep. 1140-06 Human Services/Public Safety & Military Affairs on S.B. No. 3215**

The purpose of this bill is to support children of incarcerated parents by statutorily establishing the Children of Incarcerated Parents Task Force (Task Force) to:

- (1) Develop a system to identify children of incarcerated parents;
- (2) Develop programs and support services for these children;
- (3) Provide support for incarcerated parents, where appropriate; and
- (4) Develop programs to strengthen these families.

This bill also appropriates funds for the Task Force's expenses.

The Department of Human Services, Hawaii Youth Services Network, Blueprint for Change, Community Alliance on Prisons, and Keiki O Ka Aina Family Learning Centers testified in support of this bill.

Your Committees note that Senate Concurrent Resolution No. 128, Regular Session of 2005, established the Task Force. The Task Force met three times, but was unable to complete its task in time. Your Committees believe that providing support to children of all ages who may be suffering emotionally while their parents are incarcerated is very important.

Your Committees note that one member of the Task Force estimates that expenses for the Task Force would be approximately \$25,000.

Your Committees have amended this bill by:

- (1) Removing the Administrator of the Intake Service Centers of the Department of Public Safety as a member of the Task Force;
- (2) Adding representatives from the Office of Hawaiian Affairs, Queen Liliuokalani Children's Center, and the University of Hawaii Department of Sociology, as members of the Task Force;
- (3) Establishing the Task Force for a period of one year, instead of two;
- (4) Requiring the Task Force to submit a report to the Legislature and the general public; 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 Public Safety & Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3215, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3215, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kahikina, Kawakami, Shimabukuro, Souki, Yamane, Halford and Stonebraker.

**SCRep. 1141-06 International Affairs/Economic Development & Business Concerns on S.B. No. 3192**

The purpose of this bill is to nurture international relationships that can benefit the state's business and economic standing by establishing a Hawaii Sister-state Committee (Committee) to recommend sister-state or province relationships for the Legislature's action.

The Department of Business, Economic Development, and Tourism and East-West Center supported this bill. The University of Hawaii (UH) supported the intent of this measure.

Upon further consideration, your Committees have amended this measure by, among other things:

- (1) Including "prefecture" within the definition of "sister-state or province relationship";
- (2) Clarifying that a purpose of the Committee is to advise the Governor and the Legislature on matters relating to sister-state or province relations;
- (3) Adding:
  - (A) UH;
  - (B) The Hawaii State Foundation on Culture and the Arts;
  - (C) The Chamber of Commerce of Hawaii; and
  - (D) The Association of Hawaiian Civic Clubs,
 as entities submitting lists of nominees for membership on the Committee;
- (4) Directing the Committee to appoint a chair and vice chair from among its members; 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 International Affairs and Economic Development & Business Concerns that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3192, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3192, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Sonson, Ching, Marumoto and Thielen.

**SCRep. 1142-06 Education on S.B. No. 3195**

The purpose of this bill is to provide adequate resources for education in the classroom by appropriating funds for:

- (1) A Weighted Student Formula Conversion Program to provide supplementary funds for schools that are adversely affected by the Weighted Student Formula;
- (2) Equipment, services, and supplies; and
- (3) Reimbursements to teachers for instructional and classroom supplies purchased with personal funds.

The Department of Education (DOE) and Hawaii State Teachers Association testified in support of this bill. The Hawaii Government Employees Association supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Clarifying purpose language;
- (2) Inserting an appropriation amount of \$20,000,000 to help ease public schools' transition into the new spending method under the weighted student formula;
- (3) Deleting the appropriations for:
  - (a) School equipment, supplies, and services; and
  - (b) Reimbursements of up to \$200 per classroom for teachers' personal funds expended for classroom and instructional supplies;
- (4) Inserting appropriations as follows:
  - (a) \$2,400,000 to provide \$200 debit cards to each of 12,000 teachers to purchase classroom supplies;
  - (b) \$2,000,000 for science textbooks and classroom science equipment;
  - (c) \$175,000 for Preliminary SAT testing for all tenth graders;
  - (d) \$500,000 for Advanced Placement teacher training, test costs, and classroom materials;

- (e) \$17,295,867 for special education needs, including for occupational therapists, physical therapists, special education teachers, speech language pathologists, nursing for the medically fragile, and school-based behavioral health services;
- (f) \$5,000,000 for information technology to help DOE streamline and raise the automation level of its key operational processes; and
- (g) \$1,193,669 for English as a Second Language services, including instruction, transitional bilingual support, and multicultural educational services;

and

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

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3195, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3195, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1143-06 Education on S.B. No. 2229**

The purpose of this bill is to recruit and retain teachers in Hawaii by providing teachers with incentives relating to housing.

Among other things, this bill:

- (1) Transfers administration of the teachers' housing program from the Housing and Community Development Corporation of Hawaii to the Department of Education (DOE);
- (2) Authorizes DOE to make downpayment loans to teachers for the purchase of residential property;
- (3) Requires the unexpended balances of the proceeds of general obligation bonds, rental payments for housing from teacher tenants, and repayment of downpayment loans to teachers be deposited in the Teachers' Housing Revolving Fund (Revolving Fund); and
- (4) Expands the uses of the Revolving Fund to include the financing and repair of teachers' housing.

The Hawaii State Teachers Association and Hawaii Association of Realtors supported this bill. DOE supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Allowing DOE to contract with other agencies or organizations to carry out the provisions of this bill; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2229, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2229, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1144-06 Education/Health on S.B. No. 3275**

The purpose of this bill is to prevent alcohol and drug abuse among students by appropriating funds to establish an assessment bank to cover the cost of substance abuse assessments for uninsured students who are found to be in violation of the Department of Education's (DOE's) zero tolerance policy on alcohol and other drugs.

DOE, Hina Mauka, Hawaii Substance Abuse Coalition, and a concerned individual supported 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 S.B. No. 3275, S.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Harbin, Sonson and Ching.

**SCRep. 1145-06 Education/Labor & Public Employment on S.B. No. 2887**

The purpose of this bill is to direct the Hawaii Teacher Standards Board (HTSB) to create alternative criteria and other measures of qualification to allow greater numbers of prospective vocational or technical education and career pathway teachers with trade or industry experience to teach in the classroom.

The Workforce Development Council, University of Hawaii, HTSB, Hawaii State Teachers Association, and a concerned individual testified in support of this bill. The Department of Education supported 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 S.B. No. 2887, S.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Harbin, M. Oshiro, Shimabukuro, Souki, Ching and Meyer.

**SCRep. 1146-06 Education/Labor & Public Employment on S.B. No. 3197**

The purpose of this bill is to:

- (1) Increase the minimum hourly or minimum per diem pay rate for substitute teachers; and
- (2) Appropriate funds to resolve current litigation between the Department of Education (DOE) and substitute teachers regarding underpayment for past services.

The Hawaii State Teachers Association and Hawaii Carpenters Union, Local 745, testified in support of this bill. The attorney representing substitute teachers in *Garner v. Department of Education* and *Klitznick v. Hamamoto* testified in support of this measure with amendments. DOE supported the intent of this bill.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3197, S.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Harbin, Kahikina, M. Oshiro, Shimabukuro, Waters, Ching and Meyer.

**SCRep. 1147-06 Education/Labor & Public Employment on S.B. No. 2652**

The purpose of this bill is to confer the same rights, privileges, and benefits of civil service and exempt civil service employees in the Department of Education (DOE) to civil service and exempt civil service employees, respectively, of new century conversion charter schools.

DOE and Waimea Middle School testified in support of this bill. The Department of Human Resources Development, Hawaii Government Employees Association, and Hookakoo Corporation supported this measure with amendments.

Your Committees have amended this bill by:

- (1) Clarifying that the same rights, privileges, and benefits of exempt civil service employees employed by DOE will be extended to exempt civil service employees of both new century charter schools and new century conversion charter schools;
- (2) Clarifying that an employee with civil service status at a new century conversion charter school who takes a voluntary demotion to another civil service position within DOE shall also be entitled to the rights, privileges, and benefits of continuous, uninterrupted civil service; 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 Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2652, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2652, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Harbin, Kahikina, M. Oshiro, Shimabukuro, Waters, Ching and Meyer.

**SCRep. 1148-06 Consumer Protection & Commerce on S.B. No. 2076**

The purpose of this bill is to encourage lessors of residential properties to sell their fee interest by providing an income tax exemption for 100 percent of the gain realized from the sale.

Hawaii Independent Condominium & Cooperative Owners, Hawaii Council of Associations of Apartment Owners, and Hawaii Association of Realtors supported this bill. The Department of Taxation and Tax Foundation of Hawaii commented.

Your Committee finds that this bill addresses the repeal of chapter 38 of the Revised Ordinances of Honolulu in 2005, which allowed the City and County to mandate leasehold conversion of multi-family residential leasehold units.

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. 2076, S.D. 2, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Caldwell, Kanoho and Morita.

**SCRep. 1149-06 Consumer Protection & Commerce on S.B. No. 2162**

The purpose of this bill is to help foster children successfully transition out of foster care and into independent living by:

- (1) Allowing the Director of Human Services to sign a foster child's application for an instruction permit, provisional license, or driver's license;
- (2) Specifying the persons and programs responsible for paying the motor vehicle insurance of a foster child;
- (3) Allowing higher education board allowances to be paid directly to a former foster child; and
- (4) Removing the requirement that a foster child's medical records be disclosed by the department to the child's foster parents.

The Hawaii Youth Services Network supported this bill. The Department of Human Services supported the intent of the bill. Hawaii Insurers Council commented on the measure.

Your Committee finds that this bill is consistent with the State's responsibility to provide the best possible care of its foster children.

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. 2162, S.D. 2, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Caldwell, Kanoho and Morita.

**SCRep. 1150-06 Consumer Protection & Commerce on S.B. No. 3105**

The purpose of this bill is to increase the number of reverse vending machines available to consumers and make other improvements to Hawaii's redemption and recycling infrastructure by:

- (1) Allowing any person, not just dealers who sell beverages in deposit containers, to obtain a rebate if they purchase a reverse vending machine and operate a redemption center serviced by a recycler for at least two years;
- (2) Extending for two years, to December 31, 2007, the time by which reverse vending machines must be operational to qualify for the rebate;
- (3) Changing the rebate amount to 50 percent of the cost of the reverse vending machine; and
- (4) Delaying the sunset date of the reverse vending machine and redemption center and recycling infrastructure improvement programs for two years, to June 30, 2008.

The Department of Health, Siera Club, Hawaii Chapter, Windward Ahupua'a Alliance, and Reynolds Recycling supported this bill.

Your Committee finds that this bill will increase consumer convenience and recycling.

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. 3105, S.D. 2, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Caldwell, Kanoho and Morita.

**SCRep. 1151-06 Consumer Protection & Commerce on S.B. No. 2282**

The purpose of this bill is to improve Department of Commerce and Consumer Affairs Insurance Division efficiency by updating and streamlining the insurance statutes in conformity with federal law and national standards.

The Insurance Commissioner of the Department of Commerce and Consumer Affairs and State Farm Insurance Companies supported this bill. National Association of Insurance and Financial Advisors Hawaii supported this measure in part.

Your Committee has amended this bill by:

- (1) Replacing its substance with that of H.B. No. 2319, H.D. 1, a similar measure that was reported out of your Committee earlier during the session; and
- (2) Changing its effective date to July 1, 2050.

As amended, this bill contains technical, nonsubstantive differences from the S.D. 2.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2282, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2282, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Caldwell, Kanoho, Morita, Sonson and Stonebraker.

**SCRep. 1152-06 Consumer Protection & Commerce on S.B. No. 3279**

The purpose of this bill is to reduce the cost of medical malpractice insurance in Hawaii by, among other things:

- (1) Capping at \$500,000, noneconomic damage awards in medical tort actions against obstetricians, obstetrician-gynecologists, and trauma care providers;

- (2) Establishing a sliding scale of permissible attorney contingency fees in which the contingency fee percentage decreases as the recovery amount increases;
- (3) Eliminating joint and several liability for economic damages;
- (4) Allowing joint and several liability for noneconomic damages where a healthcare provider's degree of negligence is 25 percent or more; and
- (5) Amending the definition of "healthcare provider" to include a wide range of health care professionals.

The Department of Commerce and Consumer Affairs, University of Hawaii John A. Burns School of Medicine, American Academy of Pediatrics, Hawaii Chapter, Hawaii Association of Health Plans, Hawaii Health Systems Corporation, Hawaii Medical Association, Hawaii Independent Physicians Association, Healthcare Association of Hawaii, Castle Medical Center, Medical Insurance Exchange of California, the Senator from the 2<sup>nd</sup> Legislative District of Washington, and numerous concerned individuals supported this bill. The Consumer Lawyers of Hawaii and a concerned individual opposed this bill.

Your Committee finds that Hawaii is having difficulty attracting and retaining physicians, particularly those with specialty practices subject to high malpractice insurance premiums. This problem is reaching crisis proportions, is being felt most acutely by patients on the Neighbor Islands, and is making it increasingly likely that they will not receive the timely, appropriate medical care that they need.

There was testimony that premiums have increased the most for specialists like obstetrician-gynecologists. Your Committee notes that the bill's cap on noneconomic damages applies only to actions against obstetricians, obstetrician-gynecologists, and trauma care providers.

Your Committee also recognizes that there is some controversy about how effective this bill will be. The Insurance Commissioner testified that the noneconomic damage cap will make medical malpractice recoveries more predictable for insurers, will improve Hawaii's business climate, and has shown success in other states that have adopted a cap. Those opposed to this bill, however, have submitted a study that concludes that measures similar to this one have not worked in California.

Your Committee also recognizes that while noneconomic damages are limited to \$500,000, the bill allows the plaintiff full recovery of all economic damages suffered, and that as the plaintiff's injuries increase in severity, the bill's "sliding scale" for attorney fees directs an increasingly greater amount of any recovery to the plaintiff.

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. 3279, S.D. 2, H.D. 1, and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Caldwell, Kanoho and Morita.

**SCRep. 1153-06 Consumer Protection & Commerce on S.B. No. 2166**

The purpose of this bill is to allow minors who are living on their own to obtain primary or preventive medical care and services. Specifically, this bill:

- (1) Allows a minor to consent to the provision of medical services if a health care practitioner reasonably believes that:
  - (A) The minor understands the benefits and risks of the services and can communicate a decision;
  - (B) The services are for the minor's benefit; and
  - (C) The minor is living on the minor's own, or a parent, custodian, or legal guardian is not readily available to give consent.
- (2) Provides immunity from civil and criminal liability for the health care practitioner who in good faith renders medical services after determining the minor may give consent, except for damages caused by the practitioner's negligent or wanton acts or omissions; and
- (3) Provides for confidentiality of a claim for medical services filed with a managed care or health insurance plan upon request of the minor.

The Queen's Medical Center, Hawaii Youth Services Network, Planned Parenthood of Hawaii, Hale Kipa, Waikiki Health Center, and a concerned individual supported this bill. Kaiser Permanente supported this measure with an amendment. Consumer Lawyers of Hawaii offered comments. Hawaii Right to Life and Hawaii Family Forum and Hawaii Catholic Conference opposed this bill.

Your Committee has amended this bill by:

- (1) Providing a clearer statement of the criteria for determining whether a minor is without parental support;
- (2) Clarifying that a health care provider who with gross negligence or willful or wanton misconduct determines that a minor has the ability to consent, is liable for damages resulting from the gross negligence or willful or wanton misconduct;
- (3) Reinstating in the existing definition of "medical care and services", language that excludes "surgery and any treatment to induce abortion", and removing the amendment of that term from the bill;
- (4) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2166, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as S.B. No. 2166, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Caldwell, Kanoho and Morita.

**SCRep. 1154-06 Housing on S.B. No. 2332**

The purpose of this bill is to make housekeeping amendments to various public housing laws, including changes to conform to federal regulations.

The Housing and Community Development Corporation of Hawaii supported this bill.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2332, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Arakaki.

**SCRep. 1155-06 Housing/Water, Land, & Ocean Resources on S.B. No. 2774**

The purpose of this bill is to assist families who may lose their homes due to the closure of plantations such as Del Monte Fresh Produce by making plantation community subdivisions a permitted use under agricultural land use district classification and zoning.

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, ILWU Local 142, Hawaii's Thousand Friends, Poamoho Camp Community Association, and several concerned individuals testified in support of this bill. The Department of Planning and Permitting of the City and County of Honolulu opposed this measure. The Department of Agriculture offered comments.

Your Committees heard compelling testimony on the need to assist plantation workers and retirees in keeping their homes upon the closure of the plantation facilities, particularly where Hawaii is now experiencing a serious housing crisis.

However, your Committees do note the concerns of several of its members that other means of providing for these families should be explored. Additionally, members noted that while they are open to the idea of limiting the sale or lease of current plantation communities to existing tenants, there is concern regarding the future of those homes. In particular, there are concerns that the homes could be sold and that a large development, gated community, or high-rise could be built, thereby increasing the cost of housing in the areas the Legislature is trying to keep affordable.

Nonetheless, your Committees are supportive and open to ideas regarding this issue, and believes that this measure may offer a viable solution to assisting families living in plantation communities.

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 S.B. No. 2774, S.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Berg, Carroll, Morita and Sonson.

**SCRep. 1156-06 Hawaiian Affairs/Housing on S.B. No. 2935**

The purpose of this bill is to provide the Department of Hawaiian Home Lands (DHHL) financing by authorizing the issuance of general obligation bonds for the construction of an administrative office, community kitchen, business center, credit union, and other facilities to accommodate service providers, activities, and services of the Association of Hawaiian Civic Clubs as part of DHHL's Kapolei residential project.

DHHL, Office of Hawaiian Affairs, Association of Hawaiian Civic Clubs, O'ahu Council of the Association of Hawaiian Civic Clubs, Ko'olaupoko Hawaiian Civic Club, Native Hawaiian Chamber of Commerce, Waimea Hawaiian Civic Club, Ali'i Pauahi Hawaiian Civic Club, Wai'anae Hawaiian Civic Club, Nanaikapono Hawaiian Civic Club, Na Keiki O Hawaii Hawaiian Civic Club of Anchorage, Alaska, Pearl Harbor Hawaiian Civic Club, Kohala Hawaiian Civic Club, Hawaiian Civic Club of Honolulu, Princess Ka'iulani Hawaiian Civic Club, Chaminade University of Honolulu, and a concerned individual testified in support of this bill.

The Representative of the 44<sup>th</sup> District supported the intent of the bill but explained that both Hawaiian civic clubs and DHHL were created by Prince Jonah Kuhio Kalaniana'ole: DHHL to negotiate a homestead program with the federal government on behalf of Hawaii and Hawaiian civic clubs as an advocate for DHHL. However, Nanakuli Hawaiian Homes Community Association (NHHCA), a beneficiary of the Hawaiian Home Lands, previously had to seek state funds to improve DHHL community property, because DHHL did not support NHHCA grant-in-aid requests. In this respect, the Representative believed that this measure was setting a precedent in that it permits DHHL to use resources for the benefit of non-beneficiaries when its own beneficiaries have not been fully served.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2935, S.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Harbin, Kawakami, Morita, Schatz, Sonson and Waters.

**SCRep. 1157-06 Hawaiian Affairs on S.B. No. 1294**



The purpose of this bill is to preserve native Hawaiian culture by providing that a portion of the public land trust proceeds be expended by the Office of Hawaiian Affairs (OHA) to repair and maintain the Royal Mausoleum at Mauna 'Ala.

The Association of Hawaiian Civic Clubs, Charles R. Bishop Trust, Kamehameha Schools, Oahu Council of the Association of Hawaiian Civic Clubs, Ali'i Pauahi Hawaiian Civic Club, and a concerned individual testified in support of this measure. OHA and the Native Hawaiian Chamber of Commerce supported this bill with comments. The Department of Land and Natural Resources opposed this bill.

Your Committee has amended this bill by:

- (1) Capping the portion of the public land trust proceeds to be expended for the repair and maintenance of the Royal Mausoleum to an unspecified sum per fiscal year; and
- (2) Removing OHA as the expending agency.

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 S.B. No. 1294, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1294, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1158-06 Hawaiian Affairs on S.B. No. 2948**

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 to OHA for the betterment of the conditions of native Hawaiians:

- (1) The sum of \$15,100,000 as interim revenue each fiscal year beginning with fiscal year 2005-2006; and
- (2) An unspecified sum as the amount of underpayment for the period between July 1, 2001, and June 30, 2005.

The Attorney General, OHA, Native Hawaiian Chamber of Commerce, and a concerned individual testified in support of this bill.

Your Committee has amended this bill by:

- (1) Specifying \$17,500,000 as the amount of underpayment for the period between July 1, 2001, and June 30, 2005 and the Department of Budget and Finance as the expending agency;
- (2) Expressly authorizing the Governor to fix the amounts each agency is to transfer to OHA in each quarter to satisfy the total sum owed to OHA;
- (3) 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; 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 Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2948, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2948, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1159-06 Energy & Environmental Protection on S.B. No. 2480**

The purpose of this measure is to appropriate funds to conduct a study on the feasibility of constructing a wastewater treatment facility for Kapoho Vacationland Estates and Farmlots on the island of Hawaii.

The study also includes feasibility of constructing public restrooms at the Wai O Pae Marine Life Conservation District located within Kapoho Vacationland Estates.

Your Committee finds that the Kapoho Vacationland Estates and Farmlots rely primarily on cesspools and septic tanks as a means of wastewater disposal. Due to the high groundwater table, close proximity to the valuable nearshore water and porous ground formations, wastewater from these communities may be impacting the nearshore waters.

This measure provides a grant-in-aid to the county of Hawaii for a feasibility study to determine whether a wastewater treatment facility or other alternative will work best to protect the environment in this area. The study will also evaluate wastewater treatment techniques, perform cost-benefit analysis of different wastewater technologies, examine financing strategies, and determine applicable shoreline certifications and the proper design and construction of the proposed restroom facilities.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2480, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 1160-06 Energy & Environmental Protection/Consumer Protection & Commerce on S.B. No. 3183**

The purpose of this measure is to require the Department of Health to adopt rules to regulate the emission standards for certain motor vehicles in the State.

The Rocky Mountain Institute supported this measure. The Sierra Club supported this measure with amendments, and the Hawaii Automobile Dealers' Association supported the intent of this measure. The Department of Health and the Alliance of Automobile Manufacturers opposed this measure.

Your Committees heard concerns from a number of parties that this measure may be in violation of the federal Clean Air Act. Specifically, section 209 of the Clean Air Act prohibits the states from adopting and enforcing standards relating to the control of emissions from new motor vehicles. The Clean Air Act, however, provides an exception for states that are in "non attainment" areas with respect to the Environmental Protection Agency's Ambient Air Quality Standards. Since Hawaii is in an attainment area, your Committees believe that the State cannot legally adopt this measure at this time.

Furthermore, your Committees note that, due to limited state resources as noted in the testimony submitted by Department of Health, it may be more prudent to address the issue of vehicular emissions by providing incentives for the purchase of clean fuel vehicles and penalizing less efficiently fueled vehicles, rather than requiring the Department to establish emissions standards.

Accordingly, your Committees have amended this measure by:

- (1) Deleting the original contents of this measure;
- (2) Inserting the contents of Senate Bill No. 3177, S.D. 1, relating to providing tax incentives for the purchase of a passenger car or pickup truck that operates on clean fuels and penalizing less efficiently fueled vehicles; and
- (3) Inserting section 2 of Senate Bill No. 3161, S.D. 3, relating to establishing objectives and policies in the Hawaii State Planning Act supporting a renewable fuels standard of ten per cent of highway fuel demand to be provided by renewable fuels by 2010, fifteen per cent by 2015, and twenty per cent by 2020.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Consumer Protection & Commerce that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3183, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3183, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Harbin, Ito, Kanoho, Karamatsu, Sonson and Stonebraker.

#### **SCRep. 1161-06     Judiciary on S.B. No. 2246**

The purpose of this bill is to propose an amendment to Article I of the Constitution of the State of Hawaii to provide that the Legislature may define what behavior constitutes a continuing course of conduct in sexual assault crimes against minors and what constitutes the jury unanimity that is required for a conviction.

The Department of the Attorney General, Crime Victim Compensation Commission, City and County of Honolulu's Department of the Prosecuting Attorney, County of Maui's Prosecuting Attorney, Honolulu Police Department, State of Hawaii Organization of Police Officers, Hawaii Family Forum, Hawaii Catholic Conference, Sex Abuse Treatment Center, and a concerned individual supported this bill. The Office of the Public Defender and Japanese American Citizens League of Hawaii opposed this measure.

Your Committee has amended this bill by:

- (1) Clarifying that the constitutional amendment applies to minors under 14 years of age; 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 S.B. No. 2246, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2246, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho, Morita and Marumoto.

#### **SCRep. 1162-06     Judiciary on S.B. No. 2323**

The purpose of this bill is to ensure that the baseline upon which a future block grant would be based accurately reflects the amount for which the State is entitled to be reimbursed by requiring the Judiciary to establish and implement, in collaboration with the Department of Human Services (DHS), a Federal Revenue Maximization Program (Maximization Program) for all services that may be eligible for federal financial participation to establish a maximum baseline before the Title IV-E program is converted to a block grant by the federal government.

DHS and a concerned individual supported this bill. The Judiciary opposed this measure.

Your Committee has amended this bill by:

- (1) Authorizing, rather than mandating, the Judiciary to implement a Maximization Program to meet its fullest potential for enhanced services to the public that are currently hampered by limited state funding; 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 S.B. No. 2323, S.D. 2, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 2323, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representative Caldwell.

**SCRep. 1163-06      Judiciary on S.B. No. 2357**

The purpose of this bill is to remove the sunset date on the use of new safe harbor agreements, habitat conservation plans, and incidental take licenses as recovery options for conserving and protecting the State's endangered species.

The Department of Land and Natural Resources, Department of Transportation, Hawaii Agriculture Research Center, Hawaii Farm Bureau Federation, Hawai'i Forest Industry Association, and Land Use Research Foundation of Hawaii testified in support of this bill.

Your Committee has amended this bill by:

- (1) Extending the sunset date for five years instead of removing the sunset date entirely; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2357, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 2357, H.D. 1.

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

**SCRep. 1164-06      Judiciary on S.B. No. 2406**

The purpose of this bill is to amend the permit-approval process by providing that a delay in granting or denying a business- or development-related permit, license, or approval caused by the lack of quorum, a tie vote, or other vote with less than the majority of the full membership of the board or commission voting to approve the application, shall not result in an automatic approval of the application.

The Hawaii County Planning Department, and Sierra Club, Hawaii Chapter, supported this bill. The Mayor of the County of Hawaii supported the intent of this measure. The Hawaii Association of Realtors, Hawaii Building and Construction Trades Council, AFL-CIO, Hawaii Reserves, Inc., and Land Use Research Foundation of Hawaii opposed this bill.

Your Committee has amended this bill by changing the effective date to July 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 S.B. No. 2406, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 2406, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representative Caldwell.

**SCRep. 1165-06      Judiciary on S.B. No. 2909**

The purpose of this bill is to allow a county to opt out of the automatic approval law by adopting an ordinance to exempt the county as a whole or any county agency from the automatic permit approval law.

The Planning Department of the County of Hawaii, a member of the Kauai County Council, Sierra Club-Hawaii Chapter, and a concerned individual supported this bill. The Mayor of the County 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 making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2909, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 2909, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representative Caldwell.

**SCRep. 1166-06      Judiciary on S.B. No. 2593**

The purpose of this bill is to clarify that in child protective proceedings under chapter 587, Hawaii Revised Statutes, the Child Protective Act, all documents are exempt from filing fee requirements.

The Judiciary testified in support of this bill.

The Judiciary's long-standing practice has been to waive filing fees in child protective proceedings. It appears to your Committee that the need to memorialize the fee waiver in statutory provisions regarding court and witness fees in Family Courts and regarding the Circuit Court fee schedule that applies to documents filed in Family Courts may have been overlooked when the Child Protective Act was enacted in 1983.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2593 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho and Morita.

**SCRep. 1167-06      Judiciary on S.B. No. 2571**

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 and Hawaii Reserves, Inc., supported this bill. The Department of Budget and Finance and Hawaii Association of Realtors supported the intent 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 S.B. No. 2571 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Caldwell.

**SCRep. 1168-06      Judiciary on S.B. No. 2572**

The purpose of this bill is to enable the Department of Budget and Finance to issue special purpose revenue bonds to assist nonprofit private organizations in the development of low- and moderate-income housing.

The Office of the Governor, Hawaii Reserves, Inc., and Land Use Research Foundation of Hawaii supported this bill. The Department of Budget and Finance and the Hawaii Association of REALTORS supported the intent of this bill.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2572, S.D. 2, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Caldwell.

**SCRep. 1169-06      Judiciary on S.B. No. 1311**

The purpose of this bill is to enable the Judiciary to assume supervision and control over an incarcerated person qualifying for a drug court program.

The Judiciary, A Woman's Voice International, Community Alliance on Prisons, and a concerned individual testified in support of this bill. The Department of the Prosecuting Attorney of the City and County of Honolulu and a concerned individual supported this measure with amendments. The Department of Public Safety testified that it did not support the bill. The Office of the Public Defender opposed this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1311, S.D. 2, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Caldwell.

**SCRep. 1170-06      Judiciary on S.B. No. 2145**

The purpose of this bill is to appropriate funds for:

- (1) The Environmental Council to facilitate and coordinate the State's environmental justice activities; and
- (2) The Office of Environmental Quality Control (OEQC), which falls under the Department of Health, to contract with the University of Hawaii Environmental Center to conduct a comprehensive review of the State's existing environmental impact statement process.

OEQC and Life of the Land testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2145, S.D. 2, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Caldwell.

**SCRep. 1171-06      Judiciary on S.B. No. 2688**

The purpose of this bill is to establish the Hawaii Juvenile Justice Commission to oversee the Hawaii Youth Correctional Facilities (HYCF) and the Office of Youth Services (OYS).

The Hawaii Youth Services Network supported the intent of this bill. The Hawaii Disability Rights Center and Hawaii Juvenile Justice Project opposed this measure. The Attorney General, OYS, and HYCF submitted comments.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2688, S.D. 2, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Caldwell.

**SCRep. 1172-06 Labor & Public Employment on S.B. No. 2272**

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, Hawaii State Teachers Association, and the Board of Trustees of the EUTF supported this bill.

Your Committee notes that 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 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 S.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 Representatives Shimabukuro and Meyer.

**SCRep. 1173-06 Labor & Public Employment on S.B. No. 2273**

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 the member is 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 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 Department of Budget and Finance, Board of Trustees of the ERS, and Hawaii State Teachers Association testified in support of this bill. A member of the Maui County Council supported the intent of this measure.

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.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2273, 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 Shimabukuro and Meyer.

**SCRep. 1174-06 Labor & Public Employment on S.B. No. 3035**

The purpose of this bill is to ensure that employees receive fair compensation for the entire length of disability by requiring that injured employees who have not actually resumed work 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, International Association of Rehabilitation Professionals-Hawaii Chapter, International Brotherhood of Electrical Workers, Hawaii Injured Workers Alliance, and numerous concerned individuals testified in support of this bill. The Department of Labor and Industrial Relations, Department of Human Resources Development, and Hawaii Insurers Council 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. This raises the issue of liability should the Director deny TTD benefits for the employee, thus creating an unintended consequence. Nevertheless, your Committee finds that further discussion is necessary to determine fair and appropriate changes to existing policies and procedures for TTD benefits.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3035, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 1175-06 Labor & Public Employment on S.B. No. 3090**

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 Department of Labor and Industrial Relations (DLIR), ILWU Local 142, and Hawaii Employers' Mutual Insurance Company, Inc., supported this bill. The Department of Human Resources Development supported the intent of this measure. The Hawaii Insurers Council supported this bill with amendments.

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.

Your Committee realizes that DLIR would like to streamline the process even further by including standardized forms within their computer system that will allow these forms to be made available online. However, accomplishing this goal will require funding. Your Committee on Labor and Public Employment respectfully requests that the Committee on Finance review the request by DLIR for authorization to use \$5 million from the Special Fund for Disability Benefits to achieve this objective.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3090, 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 Shimabukuro and Meyer.

**SCRep. 1176-06 Labor & Public Employment on S.B. No. 2021**

The purpose of this bill is to protect the health benefits of and provide parity to retirees who relocate outside the coverage area of the Hawaii Employer-Union Health Benefits Trust Fund (EUTF). Specifically, this measure requires:

- (1) The EUTF to reimburse retirees who have moved out of Hawaii and the coverage area of the health care plans of the EUTF for costs associated with securing a health insurance policy;
- (2) Reimbursement to be the lesser of the actual cost of the policy or the amount of the State or county contribution for the most comparable health benefits plan;
- (3) The Board of Trustees of the EUTF (EUTF Board) to determine eligibility for reimbursement; and
- (4) Reimbursement to be paid on a quarterly basis upon the presentation of documentation that the premium for the personal health insurance policy has been paid.

The Department of Budget and Finance, EUTF Board, and Hawaii State Teachers Association testified in support of this bill. The Department of the Attorney General (AG) submitted comments.

Your Committee finds that public employee retirees who move out of state may find themselves in a situation where they may not be able to obtain health care because the health insurance providers used by EUTF do not provide health coverage in those areas. Retirees who were guaranteed benefits because of their loyal public service should not be faced with such a predicament.

However, your Committee understands the concerns raised by the AG that the current language in the bill may not adequately address this problem. Accordingly, your Committee has amended this measure by:

- (1) Clarifying that an employee-beneficiary shall be reimbursed for the premiums paid by the employee-beneficiary for a personal health insurance policy;
- (2) Providing flexibility to the EUTF Board to determine which employee-beneficiaries and what types of personal health insurance policies shall be eligible for reimbursement;
- (3) Allowing the EUTF Board to set other conditions that must be met to receive the reimbursements;

- (4) Requiring the reimbursements to be paid by EUTF on a quarterly basis upon the presentation of documentation that the premiums for personal health insurance have been paid by the employee-beneficiary; 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 Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2021, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2021, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1177-06 Labor & Public Employment on S.B. No. 2640**

The purpose of this bill is to clarify that a Voluntary Employees' Beneficiary Association Trust (VEBA Trust) may be established by an employee organization to provide benefits for state and county employees that the employee organization represents by amending the purpose of the VEBA Trust pilot program under Act 245, Session Laws of Hawaii 2005.

The Hawaii State Teachers Association and Hawaii Government Employees Association supported this bill. The Department of the Attorney General and The League of Women Voters submitted comments.

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.

Your Committee has amended this measure by:

- (1) Clarifying that an employee organization establishing a VEBA Trust make it available to all employees represented by that employee organization; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2640, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2640, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1178-06 Labor & Public Employment on S.B. No. 2643**

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 Industrial Relations (Director) for vocational rehabilitation services.

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, ILWU Local 142, and Hawaii State Teachers Association testified in support of this bill. The Department of Labor and Industrial Relations and Hawaii Rehabilitation Counseling Association opposed this measure. The Department of Human Resources Development and Hawaii Employers' Mutual Insurance Company, Inc. (HEMIC), 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.

However, your Committee notes the concerns raised by HEMIC that, as currently written, the bill would affect the ability for employers to offer alternative duty programs to their injured employees since injured employees who are unable to return to their "regular job" would automatically qualify for vocational rehabilitation. Alternative duty programs, also known as light duty programs, allow employers to provide injured employees with work while addressing the employees' medical needs. This is beneficial to employers, as they are able to retain a qualified workforce, and to employees, as they are able to maintain their earning power until such time that they are fully recovered and can return to their regular job.

Accordingly, your Committee has amended this measure by stipulating that in addition to workers who have suffered a permanent disability, the Director may also refer to vocational rehabilitation services injured employees who:

- (1) Are deemed unable to return to their regular jobs after the injury may have stabilized; and
- (2) Have not been offered suitable work by the employer that would restore the employee to an earnings capacity comparable to that existing at the time of the injury.

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2643, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2643, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1179-06 Labor & Public Employment on S.B. No. 3021**

The purpose of this bill is to protect legitimately ill employees by prohibiting an employer or labor organization from discharging, withholding pay from, demoting, or otherwise disciplining an employee who uses accrued and available sick leave.

The International Brotherhood of Electrical Workers, Hawaii State AFL-CIO, Hawaii State Teachers Association, and ILWU Local 142 supported this bill. The Department of Labor and Industrial Relations, Department of Human Resources Development, National Federation of Independent Businesses in Hawaii, Hawaiian Electric Company, Inc., Meadow Gold Dairies, Hawaii Business Roundtable, Retail Merchants of Hawaii, General Contractors Association of Hawaii, Hawaii Reserves, Inc., Hawaii Hotel and Lodging Association, Shriners Hospital for Children Honolulu, Society for Human Resource Management-Hawaii Chapter, Hawaiian Telcom, Kauai Chamber of Commerce, Outrigger Hotel and Resorts, Maui Chamber of Commerce, and The Chamber of Commerce of Hawaii opposed this measure.

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. It is also not the intent of this measure to increase health care costs by requiring employees to be unnecessarily examined by a physician.

Accordingly, your Committee has amended this bill by:

- (1) Clarifying that the unlawful practice of barring or discharging from employment, withholding pay from, or otherwise disciplining an employee because the employee uses accrued and available sick leave applies to an employer;
- (2) Deleting the requirement that the employee validate the illness or injury in writing by an employee's physician if the illness or injury requires the use of more than one day of sick leave;
- (3) Removing language allowing an employer to require an ill or injured employee to be medically evaluated by a physician of the employee's choice from an employer's health care provider list of no fewer than three physicians for instances of use of sick leave three times over a six-month period;
- (4) Stipulating that an employer may sanction or discipline an employee found to be illegitimately using sick leave or using sick leave in a way that was in violation of the employer's sick leave policy; and
- (5) Allowing an employer to sanction or discipline an employee for using sick leave if the employer's actions were in accordance with an employer's attendance policy.

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3021, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3021, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Souki.

**SCRep. 1180-06 Labor & Public Employment on S.B. No. 2274**

The purpose of this bill is to enable the Employees' Retirement System (ERS) to maintain its tax-qualified status by prohibiting members from:

- (1) Receiving refunds of contributions made while employed by the State or counties; and
- (2) Making additional contributions once the member has received a refund of contributions while employed by the State or counties.

The Department of Budget and Finance and Hawaii State Teachers Association testified in support of this bill. The ERS supported this measure with amendments.

While your Committee finds that this measure is necessary to protect the ERS's tax-qualified status under the Internal Revenue Code of 1986, as amended, a companion measure passed earlier this session by your Committee on Labor is currently going through the legislative process in the Senate.

However, your Committee has 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 deleting its contents and replacing it with language that classifies the Directors of the Offices of Council Services for the City and County of Honolulu and County of Maui as class A members if the person was in service prior to July 1, 2006.

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2274, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2274, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1181-06 Labor & Public Employment on S.B. No. 2898**

The purpose of this bill is improve the procurement process of the Hawaii Health Systems Corporation (HHSC) by establishing a chief procurement officer position for HHSC.

Several individuals from HHSC supported this bill. The State Procurement Office supported the intent of this measure.

The establishment of a chief procurement officer will enable HHSC to procure essential medical supplies and equipment in a timely and efficient manner so as to not jeopardize patient care and safety. However, your Committee finds that creating a new position of chief procurement officer within HHSC may be duplicative since HHSC currently has a chief executive officer who can serve as the chief procurement officer.

Your Committee also finds that increasing the amount for which a procurement of goods, services, or construction can qualify as a small purchase may expedite the procurement process.

Accordingly, your Committee has amended this measure by deleting its contents and replacing it with language that:

- (1) Designates the chief executive officer of HHSC as the chief procurement officer of HHSC; and
- (2) Changes to \$50,000 the amount for which a procurement of goods, services, or construction can qualify as a small purchase.

Your Committee has further amended this measure 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 record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2898, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 2898, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Souki.

**SCRep. 1182-06 Human Services on S.B. No. 2185**

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

- (1) The development of community-based, family-centered models throughout the state; and
- (2) The Hawaii Even Start Literacy Program.

The Blueprint for Change testified in support of this bill. The Department of Education supported the intent of this measure.

Your Committee received testimony that community-based, family centered models promote increased community responsibility and safer communities.

Your Committee has amended this bill by:

- (1) Establishing the Community-based, Family-centered Delivery Models Special Fund (Special Fund);
- (2) Replacing the appropriation for the development of community-based, family-centered models with an appropriation to the Special Fund;
- (3) Deleting the appropriation for the Hawaii Even Start Literacy Program;
- (4) Changing the effective date to July 1, 2022, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2185, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2185, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1183-06 Human Services on S.B. No. 2328**

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 testified in support of this bill. The Hawaii Foster Parent Association supported this measure with amendments. The Legal Aid Society of Hawaii opposed this bill. The Judiciary offered comments.

Your Committee has amended this bill by:

- (1) Changing the period in which notices of hearings subsequent to the disposition hearing must be served from seven calendar days to 48 hours;
- (2) Specifying that "party" or "parties" shall include the current foster parents; 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 S.B. No. 2328, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2328, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 1184-06 Water, Land, & Ocean Resources on S.B. No. 2487**

The purpose of this bill is to increase the number of members on the Hawaii Community Development Authority from 11 to 13.

Specifically, this measure would require the Governor to appoint two additional members: one from a list of nominees provided by the Senate President, and one from a list of nominees provided by the Speaker of the House of Representatives.

Numerous concerned individuals testified in support of this bill. Kaka'ako Business and Landowners Association supported the bill with comments. Save Our Kaka'ako Coalition conditionally supported this measure. Hui o Malama Kaka'ako Paka, Redwings Memorial Events Committee, and several concerned individuals supported the bill with amendments. A concerned individual opposed this measure. Several concerned individuals provided comments.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2487 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 and Kanoho.  
(Representatives Berg, Harbin and Thielen voted no.)

**SCRep. 1185-06 Water, Land, & Ocean Resources on S.B. No. 3037**

The purpose of this bill is to help Manoa flood victims recover losses incurred by providing a one-time, nonrefundable tax credit.

A concerned individual testified in support of this bill. The Department of Taxation supported the intent of this measure. The Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Limiting the tax credit to taxpayers who earn a gross income of less than \$75,000;
- (2) Changing the tax credit to refundable; 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 S.B. No. 3037, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3037, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1186-06 Legislative Management on S.B. No. 2897**

The purpose of this bill is to simplify the procurement process by:

- (1) Raising the small purchases ceiling from \$25,000 to \$50,000;
- (2) Requiring small purchase procurements under \$50,000 to be:

- (A) Solicited and transacted electronically over the Internet; and
  - (B) Made using prequalified lists of vendors from whom bids or offers are solicited randomly;
- and
- (3) Exempting the Department of Budget and Finance (B&F) from the Procurement Code when administering certain types of special purpose revenue bonds.

This bill also prohibits government contracts from requiring construction design professionals to defend the governmental body from negligent acts, errors, or omissions committed by the governmental body.

B&F, Hawaii Pacific Engineers, Inc., Coalition of Hawaii Engineering and Architectural Professionals, The Limtiaco Consulting Group, Hawaii Pacific Health, American Society of Civil Engineers, American Council of Engineering Companies, Masa Fujioka & Associates, and Cedric D.O. Chong & Associates, Inc., supported this bill. The State Procurement Office, Hawaiian Electric Company, Inc., Maui Electric Company, Limited, Hawaii Electric Light Company, Inc., The Queen's Health Systems, and AIA Hawaii State Council supported portions of this measure. The High Technology Development Corporation (HTDC) supported the intent of this bill. The Department of Accounting and General Services offered comments.

Your Committee has amended this bill by:

- (1) Replacing the proposed amendments to the small purchase provisions with language specifying that procurements between \$25,000 and \$50,000 shall be made through an electronic procurement system;
- (2) Exempting HTDC from the Procurement Code when administering special facility revenue bonds; 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 Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2897, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 2897, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative B. Oshiro.

**SCRep. 1187-06 Higher Education/Labor & Public Employment on S.B. No. 3120**

The purpose of this bill is to encourage Hawaii residents to pursue post-secondary school education. Specifically, this bill, among other things:

- (1) Establishes a Workforce Development Scholarship Program within the University of Hawaii (UH), to provide scholarships for Hawaii residents enrolled at a community college campus of UH and who are eligible for need-based federal financial aid; and
- (2) Appropriates additional funds to be deposited into the Student Scholarship and Assistance Special Fund for B Plus scholarships.

UH testified in support of this bill.

As affirmed by the records of votes of the members of your Committees on Higher Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3120, S.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Cabanilla, Harbin, Ito, Finnegan, Meyer and Stevens.

**SCRep. 1188-06 Higher Education on S.B. No. 3121**

The purpose of this bill is to establish a Hawaii State Scholars Program within the University of Hawaii for qualified students enrolled at any campus of the University of Hawaii who have achieved an exceptionally high level of academic performance.

The University of Hawaii (UH), Director of University Connections at UH, and American Society of Civil Engineers supported this bill. The Department of Transportation (DOT) supported the intent of this measure. The William S. Richardson Loan Repayment Assistance Program Committee and numerous students of the William S. Richardson School of Law supported this bill with amendments.

Your Committee has amended this measure by adding provisions from:

- (1) H.B. No. 3196, establishing the Eminent Scholars Program as recommended by UH;
- (2) H.B. No. 2433, establishing a Civil Engineering Scholarship Program as recommended by DOT and the American Society of Civil Engineers; and
- (3) H.B. No. 1002, H.D. 2, establishing a Loan Repayment Assistance Program for public interest attorneys as recommended by law students at the UH Richardson School of Law.

Your Committee also provided funding for assistance programs established in this bill including:

- (1) \$100,000 for the Civil Engineering Scholarship Program;

- (2) \$5,000,000 for the Eminent Scholars Program; and
- (3) \$200,000 for the Loan Repayment Assistance Program for public interest attorneys.

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 Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3121, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3121, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Harbin and Finnegan.

**SCRep. 1189-06 Higher Education on S.B. No. 3118**

The purpose of this bill is to increase funding for research-related equipment and facilities at the University of Hawaii (UH) by:

- (1) Reclassifying the UH Research and Training Revolving Fund as a special fund;
- (2) Retaining all indirect overhead funds generated by UH research and training programs in the UH Training and Research Special Fund (Fund) for research-related equipment and facilities, instead of allocating portions to the Discoveries and Inventions and Housing Assistance Revolving Funds; and
- (3) Authorizing expenditures from the Fund for repair and replacement of research-related equipment and facilities.

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 S.B. No. 3118, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Harbin and Finnegan.

**SCRep. 1190-06 Housing on S.B. No. 2762**

The purpose of this bill is to provide flexibility in the public housing eligibility process by allowing persons who were denied eligibility because of an eviction after 1985, but not less than ten years prior to the current application, the right to appeal the denial.

The Housing and Community Development Corporation of Hawaii supported this bill.

While your Committee understands the need to authorize evictions from public housing, it notes that a lifetime status of ineligibility for public housing may be too severe. This measure grants those previously evicted from public housing a second chance.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2762, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 1191-06 Housing/Water, Land, & Ocean Resources on S.B. No. 3000**

The purpose of this bill is to expedite approval and permitting processes for affordable housing projects by, among other things:

- (1) Requiring reviewing agencies to respond within 45 days of receipt of an application, or the application will be deemed acceptable as submitted; and
- (2) Allowing county councils and the Land Use Commission to approve projects with modifications.

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

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 S.B. No. 3000, S.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Berg, Carroll, Morita and Sonson.

**SCRep. 1192-06 Housing on S.B. No. 2773**

The purpose of this bill is to assist displaced workers of Kunia Camp by:

- (1) Establishing and appropriating funds for the Kunia Camp Housing Revolving Fund for low-interest housing loans or grants;

- (2) Establishing and appropriating funds for the Kunia Camp Rental Housing Fund for rental subsidies in the private market; and
- (3) Establishing and appropriating funds for the Kunia Camp Homeownership Counseling Program.

The Housing and Community Development Corporation of Hawaii, Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, ILWU Local 142, Poamoho Camp Community Association, and a concerned individual testified in support of this bill.

Your Committee has amended this bill by:

- (1) Expanding the funds and programs to include Poamoho Camp, in addition to Kunia Camp;
- (2) Expanding the funds and programs to assist displaced retirees, in addition to workers; 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 Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2773, S.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2773, S.D. 3, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 1193-06 Labor & Public Employment/Higher Education/Education on S.B. No. 2980**

The purpose of this bill is to expand workforce development and apprenticeship programs, especially in the construction trades, by appropriating funds to:

- (1) Expand the existing Hawaii Construction Academy (Academy) program from eight to 26 public high schools; and
- (2) Expand the apprenticeship training programs at Honolulu Community College, Maui Community College, Hawaii Community College, and Kauai Community College.

The University of Hawaii (UH), Hawaii Business Roundtable, Pacific Resource Partnership, and Castle & Cooke Homes Hawaii, Inc., testified in support of this bill. The Department of Education supported the intent of this measure.

Your Committees find 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, highlighting the need for programs that can retain and develop workers to meet new challenges.

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 needs of a booming economy, especially in the field of construction.

Your Committees find that expanding the established Academy through a collaborative effort with UH, especially one that includes training in the latest construction technologies and environmentally-friendly building practices, will ensure that Hawaii has a knowledgeable and skilled construction workforce trained in "green building" principles that will also help preserve our environment.

Expansion of apprenticeship training programs in the UH community college system will also assist in meeting Hawaii's future workforce needs.

Your Committees find that this is an important first step in meeting all of the growing demands being placed on the construction trades and hope that, if proven successful, will be able to be expanded in the near future.

However, to accomplish these goals, UH has stated that it will cost approximately \$5,500,000 in funding. While determining the specific funding amounts for these programs is beyond the purview of your Committees on Labor and Public Employment, Higher Education, and Education, your Committees respectfully request that the Committee on Finance consider fully funding this important measure.

As affirmed by the records of votes of the members of your Committees on Labor & Public Employment, Higher Education, and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2980, S.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Cabanilla, Harbin, Ito, Kahikina, Finnegan, Meyer and Stevens.

**SCRep. 1194-06 Labor & Public Employment/Higher Education on S.B. No. 2959**

The purpose of this bill is to improve manpower training and workforce development in the state by establishing a rapid response development and training program within the community college system of the University of Hawaii.

The University of Hawaii, Hawaii Business Roundtable, and Hawaii Crop Improvement Association supported this bill.

Your Committees find 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 reports about 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 these workers.

Hawaii's construction industry is also experiencing a resurgence, with employment demand outpacing the size of the labor force. 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.

As affirmed by the records of votes of the members of your Committees on Labor & Public Employment and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2959, S.D. 3, 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, Ito, Finnegan, Meyer and Stevens.

**SCRep. 1195-06 Labor & Public Employment on S.B. No. 3012**

The purpose of this bill is to allow public employees with incurable debilitating diseases and approved for ordinary disability benefits to retire at a time of their choosing rather than by the 90-day deadline established through administrative rules.

The Hawaii Government Employees Association, Hawaii State Teachers Association, and several concerned individuals testified in support of this bill. The Board of Trustees of the Employees' Retirement System (ERS) opposed this measure.

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.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3012, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 1196-06 Labor & Public Employment on S.B. No. 54**

The purpose of this bill is to allow state legislators who attain the age of 65 to retire and receive a service retirement allowance while continuing to fill their elective position; provided that the state legislator continuously serves as a state legislator for at least 20 years immediately prior to retirement.

The Chair of the City Council of the City and County of Honolulu, Chair of the Hawaii County Council, Chair of the Kauai County Council, Hawaii Government Employees Association, and Hawaii State Teachers Association supported this bill. The Employees Retirement System submitted comments.

Your Committee finds that 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.

However, your Committee believes in parity for all elected officials including the Governor, Lieutenant Governor, county mayors, county council members, trustees of the Office of Hawaiian Affairs, and the Prosecuting Attorney. Accordingly, your Committee has amended this bill by:

- (1) Deleting the provision that requires an elective officer to continuously serve in the state Legislature as an elective officer for at least 20 years immediately prior to retiring;
- (2) Changing the effective date from July 1, 2050, 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 Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 54, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 54, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1197-06 Labor & Public Employment on S.B. No. 3011**

The purpose of this bill is to provide public employees the opportunity to advance in the civil service system by being given first consideration when applying for civil service positions.

The Hawaii Government Employees Association (HGEA) testified in support of this bill. The Department of Human Resources Development (DHRD) did not support this bill. The Department of Human Resources of the City and County of Honolulu, Department of Personnel Services of the County of Maui, and Department of Civil Service of the County of Hawaii opposed this measure.

Your Committee has been informed and would like to note that DHRD and HGEA, along with others, are working together to address the issue of "first consideration" through new administrative rules, policies, and procedures.

Act 253, Session Laws of Hawaii 2000, also known as the Civil Service Reform Act, repealed that portion of section 76-22.5, Hawaii Revised Statutes, that required the Director of DHRD to give first consideration to employees already in public service when determining the manner in which positions would be filled. It is the understanding of your Committee that upon enactment of Act 253, new rules, policies, and procedures were to be adopted to address the issue of first consideration, which is a recognized and valid recruiting tool. Your Committee believes that the need to recruit and retain qualified employees, especially during these times of low unemployment rates, necessitates the

establishment of a clear policy on the issue under the law. However, your Committee is cognizant of the fact that sometimes it is necessary to recruit employees from outside the civil service system.

While it appears that current employment practices and policies of various state and county departments give first consideration to civil service employees, after hearing testimony on this issue, it is clear that appropriate rules and policies to provide a preference for current public employees under the merit system have not been established since the enactment of Act 253. Although your Committee has concerns that this measure may impact the flexibility public employers have in hiring personnel, the importance of this matter warrants further discussion.

Your Committee has amended this measure by changing its effective date to July 1, 2050, to encourage further discussion and to motivate DHRD to develop the rules, regulations, and procedures regarding this issue.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3011, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3011, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Souki.

**SCRep. 1198-06 Energy & Environmental Protection on S.B. No. 2125**

The purpose of this measure is to provide an income tax credit for the purchase of "Energy Star" products for residential or commercial use.

Energy Star is a program sponsored by the Environmental Protection Agency and the federal Department of Energy to promote consumer and commercial equipment, products, and appliances that comply with energy efficiency program guidelines.

This measure provides a \$50 income tax credit for purchases of Energy Star products with an aggregate retail price of at least \$300.

Your Committee notes that the Department of Taxation testified that the revenue impact of this measure was approximately \$250,000 for fiscal year 2008. However, your Committee wishes to clarify that the \$250,000 revenue impact projected by the Department should have been for fiscal year 2007, rather than fiscal year 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 S.B. No. 2125, 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 Carroll, Harbin and Kanoho.

**SCRep. 1199-06 Energy & Environmental Protection on S.B. No. 2484**

The purpose of this measure is to appropriate funds for the installation of two vog-monitoring stations, one at Mountain View and one at Pahala on the island of Hawaii.

Your Committee finds that Kilauea volcano on the island of Hawaii has erupted continuously for twenty-three years and has emitted thousands of tons of gases containing sulfur dioxide and carbon dioxide. These gases react with other chemicals in the air to produce a visible haze, often referred to as vog.

Vog has been shown to cause a variety of illnesses and to increase the occurrence of adolescent allergies, asthma, and other respiratory diseases. Vog is also linked to bronchitis, cardiac problems, and other medical maladies related to the eyes, nose, throat, and lungs.

In response to the health threat posed by vog, this measure appropriates funds to establish vog-monitoring stations at Mountain View and Pahala on the island of Hawaii that are equipped with sulfur dioxide monitors and meteorological equipment.

Your Committee notes that the Department of Health raised a concern about the measure's specific designation of Mountain View and Pahala as the sites for the monitoring stations as available sites, noting that lease agreements have yet to be negotiated. The named sites were suggested locations with the exact siting yet to be determined. Therefore, your Committee respectfully requests that the Committee on Finance consider allowing the Department of Health 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 S.B. No. 2484, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 1200-06 Energy & Environmental Protection/Consumer Protection & Commerce on S.B. No. 3185**

The purpose of this measure is to make substantive changes to the Renewable Portfolio Standards Law and create a companion concept, the Energy Efficiency Portfolio Standard.

Specifically, this measure:

- (1) Authorizes the Public Utilities Commission to redirect all or a portion of the funds collected from ratepayers through the current demand-side management surcharge by Hawaii's electric utilities into a public benefits fund to be used to support energy efficiency and demand-side management programs and services;

- (2) Requires appointment of a fund administrator if the Public Utilities Commission redirects the demand-side management surcharge for energy efficiency and demand-side management programs and services and establishes qualifications and duties for the administrator;
- (3) Requires the Public Utilities Commission to provide for the transition from the current demand-side management programs supported by the surcharge to the ones supported by the public benefits fund if it is established by the commission;
- (4) Establishes energy efficiency portfolio standards;
- (5) Adds and amends various definitions in section 269-91, HRS, regarding renewable portfolio standards;
- (6) Establishes penalties for the failure of a utility to meet the renewable portfolio standard;
- (7) Requires the Public Utilities Commission to establish a methodology to establish fixed prices for renewable energy under long-term agreements and requires a public utility to offer to purchase, under a long-term agreement, electricity generated by a producer using nonfossil fuel; and
- (8) Makes clarifying amendments to section 269-95, HRS, regarding renewable portfolio standards.

Prior to hearing this measure, your Committees distributed a proposed H.D. 1 that proposed to amend this measure by:

- (1) Deleting the purpose section;
- (2) Clarifying the authority and duties of the fund administrator;
- (3) Narrowing the scope of the plan required to transition from the current demand-side management programs supported by the surcharge to the ones supported by the public benefits fund;
- (4) Deleting the proposed new section regarding energy efficiency portfolio standards and replacing it with standards for classifying energy as attributable to renewable or nonrenewable sources;
- (5) Amending the requirement that the Public Utilities Commission establish a methodology for determining the just and reasonable rate that a public utility must pay for electricity generated by a producer using nonfossil fuel by requiring removal or significant reduction of any linkage between the price of fossil fuels and the rate for nonfossil fuel generated electricity to permit customers to share in potential savings derived from the use of nonfossil fuel generated electricity;
- (6) By deleting the definitions to be added to section 269-92, HRS;
- (7) By adding a definition of "renewable electrical energy" and amending the definitions of "renewable energy" and "renewable portfolio standard"; and
- (8) Establishing criteria by which the Public Utilities Commission may waive, in whole or in part, penalties to be imposed on a public utility for failure to meet the renewable portfolio standard.

The Hawaii Renewable Energy Alliance, PowerLight Solar Electric Systems, and Honolulu Seawater Air Conditioning LLC testified in support of the proposed H.D. 1 of this measure. The Sierra Club, Life of the Land, and several concerned citizens supported this measure with amendments, while the Department of Business, Economic Development, and Tourism supported the intent of this measure. The Consumer Advocate, Public Utilities Commission, Hawaiian Electric Company, Maui Electric Company, and Hawaii Electric Light Company offered comments.

Your Committees find that the establishment of an energy efficiency utility to be selected by the Public Utilities Commission could lead to significantly greater energy efficiency gains than current approaches to demand-side management. This innovation would significantly improve upon the energy efficiency programs delivered by individual electric utilities operating in the State. Your Committees also find that it is necessary to place greater emphasis on renewable energy resources and the potential savings they offer.

Upon further consideration, your Committees have amended this measure by:

- (1) Deleting the proposed new section regarding standards for classifying energy as attributable to renewable or nonrenewable sources;
- (2) Replacing the proposed definition of "renewable electrical energy" with a definition suggested by the Public Utilities Commission;
- (3) Inserting a new subsection (b) in section 269-92, HRS, originally proposed by House Bill No. 3053, H.D. 1, authorizing the Public Utilities Commission to establish standards for each utility that prescribe what portion of the renewable energy standards shall be met by specific types of resources;
- (4) Adding a new subsection to section 269-16, HRS, requiring the public utilities commission, by December 31, 2007, or in the utility's next general rate case, whichever comes first, to examine the functioning of the utility's fuel adjustment clause to determine whether the clause operates in a manner that is fair to ratepayers and whether the clause should be modified to encourage greater use of renewable energy by the utility; and
- (5) By making technical nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Consumer Protection & Commerce that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3185, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3185, S.D. 2, H.D. 1, and be referred to the Committee on Finance.



Signed by all members of the Committee except Representatives Carroll, Harbin, Ito, Kanoho, Karamatsu, Sonson and Stonebraker.

**SCRep. 1201-06 Human Services on S.B. No. 2617**

The purpose of this bill is to provide assistance to needy families by appropriating moneys for temporary assistance programs.

Specifically, this bill appropriates or authorizes unspecified amounts to programs that:

- (1) Promote higher skill level job preparation;
- (2) Establish safe, structured learning environments for children and youth during non-school hours;
- (3) Fall under the Social Services Block Grant and provide child welfare services;
- (4) Rectify homelessness;
- (5) Fall under the Child Care Development Block Grant; and
- (6) Offer cash assistance benefits for eligible Temporary Assistance for Needy Families (TANF) program recipients.

This bill also appropriates funds to the Department of Human Services (DHS) for operating costs, including personnel, systems, and administrative expenses.

Finally, this bill directs DHS to involve the community in planning for the future use of TANF funds and to set annual goals and outcomes for programs receiving TANF funds.

Hawaii Women Work!, National Association of Social Workers, and a concerned citizen supported this bill. Blueprint for Change supported this measure with amendments. DHS and the Department of Health offered comments.

Your Committee recognizes that there is an ongoing dialogue to determine the best use of TANF funds. Further strategic planning, discussion, and careful financial and economic analysis of possible outcomes from expenditures are necessary to develop an effective, meaningful use of these funds.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2617, 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 Kahikina, Halford and Stonebraker.

**SCRep. 1202-06 Human Services/Health on S.B. No. 3200**

The purpose of this bill is to protect newborn infants by:

- (1) Providing immunity from prosecution for leaving an unharmed newborn at a hospital, fire station, or police station within 72 hours of its birth;
- (2) Providing immunity from prosecution to hospitals, fire stations, or police stations and personnel who receive an unharmed newborn; and
- (3) Requiring medical history from a person relinquishing a newborn.

The Hawaii Family Forum and Hawaii Catholic Conference supported this bill. The Adoption Circle of Hawaii and several concerned individuals opposed this measure. The Department of Human Services and several concerned individuals provided comments.

Your Committees have amended this bill by:

- (1) Elevating the offense of abandonment of a child from a misdemeanor to a Class C felony;
- (2) Changing the effective date from upon its approval to July 1, 2022; 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 Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3200, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3200, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 1203-06 Agriculture/Energy & Environmental Protection on S.B. No. 2417**

The purpose of this bill is to address the growing threat of coqui frog infestation by appropriating an unspecified amount of funds for grants-in-aid to:

- (1) The County of Hawaii for support and implementation of the Coqui Frog Working Group Incident Action Plan; and

- (2) The County of Maui, County of Kauai, and the City and County of Honolulu for the eradication and control of the coqui frog in each respective county.

The Mayor of the County of Hawaii, Executive Assistant to the Mayor of the County of Maui, University of Hawaii College of Tropical Agriculture and Human Resources, Conservation Council for Hawaii, Hawaii Association of REALTORS, 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 Agriculture supported the intent of this measure. Animal Rights Hawaii and several concerned individuals opposed this bill. The Department of Land and Natural Resources submitted comments.

Your Committees have amended this bill by:

- (1) Inserting an appropriation amount of \$1 for each grant-in-aid to encourage 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 Agriculture and Energy & Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2417, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2417, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Kanohe, Karamatsu, Magaoay and Stonebraker.

**SCRep. 1204-06 Agriculture/Energy & Environmental Protection on S.B. No. 2486**

The purpose of this bill is to protect Hawaii's environment and agricultural industry by:

- (1) Making permanent the Invasive Species Council (Council);
- (2) Placing the Council within the Department of Land and Natural Resources (DLNR) for administrative purposes only;
- (3) Increasing the membership of the Council by adding eight legislators to serve as ex-officio, non-voting members; and
- (4) Establishing quorum and voting requirements for the Council.

DLNR, the Conservation Council for Hawaii, The Nature Conservancy of Hawaii, and C & H Farms testified in support of this bill. The Department of Agriculture supported the intent of this measure. The Hawaii Farm Bureau Federation submitted comments.

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 S.B. No. 2486, S.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Kanohe, Karamatsu and Stonebraker.

**SCRep. 1205-06 Agriculture/Water, Land, & Ocean Resources on S.B. No. 2482**

The purpose of this bill is to expand agricultural opportunities on Oahu by appropriating an unspecified amount of funds to develop a master plan for the 150-acre agricultural park mauka of the Royal Kunia residential development.

The City and County of Honolulu Department of Planning and Permitting and the Hawaii Farm Bureau Federation supported this bill. The Department of Agriculture and Hawaii Agriculture Research Center supported the intent of this measure.

Your Committees note that a concern was raised regarding the financial and other effects, if any, that the provisions of Chapter 104, Hawaii Revised Statutes, relating to wages and hours of employees on public works, may have on the development of the agricultural park. Your Committees support future legislative efforts to address this concern.

Your Committees have amended this measure by:

- (1) Inserting an appropriation amount of \$250,000; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Agriculture and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2482, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2482, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Karamatsu, Morita, Wakai and Stonebraker.

**SCRep. 1206-06 Agriculture/Water, Land, & Ocean Resources on S.B. No. 2753**

The purpose of this bill is to ensure a reliable source of water for agriculture and other purposes on Kauai by appropriating an unspecified amount of funds for the operation and maintenance of the East Kauai Irrigation System (System).

The Agribusiness Development Corporation, County of Kauai, Hawaii Agriculture Research Center, Hawaii Crop Improvement Association, Hawaii Farm Bureau Federation, Kauai County Farm Bureau, East Kauai Water Users' Cooperative, Saiva Siddhanta Church, and C&H Farms supported this bill.

Your Committees have amended this bill by:

- (1) Inserting an appropriation amount of \$100,000; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Agriculture and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2753, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2753, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Carroll, Evans, Kanoho, Karamatsu, Wakai and Stonebraker.

**SCRep. 1207-06 Water, Land, & Ocean Resources/Housing on S.B. No. 1593**

The purpose of this bill is to expand and enhance the use of rural districts through a one-time reclassification of lands that were classified as agricultural prior to June 4, 1976, based upon studies and recommendations from each county. Specifically, this measure:

- (1) Allows counties to work with the Office of Planning to develop policy and recommend boundary amendments to expand and enhance the use of rural districts;
- (2) Convenes an advisory group for redefining rural districts; and
- (3) Allow counties one opportunity to reclassify areas of land into rural land use districts.

C & H Farms testified in support of this bill, as received by your Committees.

After considering this measure and recognizing the importance of affordable housing, your Committees drafted a proposed Senate Bill 1593, S.D. 2, H.D. 1, and made copies available to the public prior to the hearing. As such, the proposed H.D. 1 was the subject of the public hearing.

As amended, the purpose of Senate Bill 1593, S.D. 2, H.D. 1, is to ensure the availability of affordable housing units in urban Honolulu by establishing the Liliha-Palama Community Development District (District) to be administered by the Hawaii Community Development Authority (HCDA).

The Hawaii Association of Realtors and several concerned citizens testified in support of the proposed HD1. The Department of Planning and Permitting of the City and County of Honolulu and a number of concerned individuals opposed the proposed HD1. HCDA submitted comments.

Your Committees discussed the potential benefits of establishing the District that could include condemnation of necessary properties and the development of affordable housing. Your Committees note that the concerns of the residents of Kukui Gardens affordable residential project could be addressed by the establishment of the District.

Your Committee on Water Land & Ocean Resources has rejected and continues to reject the establishment of the one-time reclassification of lands to rural districts as proposed by this bill.

Accordingly, your Committees have amended this bill by adopting the language of the proposed HD1.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1593, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1593, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Carroll, Hale, Kanoho and Sonson.  
(Representative Waters voted no.)

**SCRep. 1208-06 Legislative Management on S.B. No. 3253**

The purpose of this bill is to address Hawaii's impending care crisis by establishing a Joint Legislative Committee on Family Caregiving (Family Caregiving Committee) to:

- (1) Develop a comprehensive public policy to strengthen support for certain family caregivers;
- (2) Consider providing support in various areas related to caregiving;
- (3) Seek input from other agencies, departments, and stakeholders; and
- (4) Submit its findings and recommendations to the Legislature no later than 20 days prior to the convening of the Regular Session of 2007.

In addition, the bill appropriates funds for the Family Caregiving Committee to carry out its duties.

AARP Hawaii and a concerned individual testified in support of this bill. The Department of Human Services and Executive Office on Aging supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3253, S.D. 1, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative B. Oshiro.

**SCRep. 1209-06 Consumer Protection & Commerce on S.B. No. 2470**

The purpose of this bill is to make it easier for tenants to file an application for a low-income tax credit by requiring landlords to include their general excise tax number on the first page of the rental agreement.

The Office of Consumer Protection of the Department of Commerce and Consumer Affairs and Department of Taxation supported this bill with an amendment. The Hawaii Association of Realtors opposed this bill.

Your Committee respectfully requests the Committee on Finance to consider the amendment recommended, that concerns the correct terminology to be used when referring to the general excise tax number.

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. 2470, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho, Karamatsu, Sonson and Stonebraker.

**SCRep. 1210-06 Consumer Protection & Commerce on S.B. No. 2227**

The purpose of this bill is to clarify the conditions for mandated reimbursement of telehealth services by, among other things:

- (1) Prohibiting reimbursements for telehealth consultations between health care providers unless a health care provider-patient relationship exists between the patient and one of the health care providers involved in the telehealth interaction;
- (2) Specifying that a telehealth mechanism may be used to establish a health care provider-patient relationship; and
- (3) Clarifying the definition of "telehealth" by including certain types of telecommunications services and excluding others.

The Department of Health, Department of Commerce and Consumer Affairs, Hawaii Primary Care Association, Hawaii Pacific Health, Pacific Islands Chapter of the American Telemedicine Association, Hawaii Psychological Association, and several concerned individuals supported this bill. The Hawaii Medical Service Association supported the intent of 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 S.B. No. 2227, S.D. 2, H.D. 1, and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1211-06 Consumer Protection & Commerce on S.B. No. 2364**

The purpose of this bill is to encourage early identification and treatment of persons with alcohol or illicit substance problems by:

- (1) Removing the provision in the Insurance Code that prohibits a disclaimer of liability in an accident and health or sickness insurance policy for injuries caused by alcohol or illicit substance use, unless the disclaimer is phrased in a certain way; and
- (2) Appropriating funds to establish a pilot program for screening, brief intervention, referral, and substance abuse treatment at hospital emergency rooms.

The Office of the Lieutenant Governor, Department of Health, Department of Human Services, MADD-Hawaii, Hawaii Substance Abuse Coalition, and a concerned individual supported this bill. The Attorney General supported this measure with amendments. The Insurance Commissioner of the Department of Commerce and Consumer Affairs supported this bill in part with amendments. The University of Hawaii supported the intent of this measure. The American Family Life Assurance Company of Columbus commented.

Your Committee finds that the current policy of allowing insurers to exclude coverage for individuals whose injuries result from alcohol or narcotics use was created under a 1947 National Association of Insurance Commissioners (NAIC) model law. In 2001, NAIC voted unanimously to repeal that policy. Your Committee finds that allowing insurers to deny coverage discourages emergency room medical personnel from identifying patients whose injuries are the result of alcohol or illicit substance use, thus making it difficult to use the emergency room contact to provide further assessment, counseling, and treatment for the individual.

Your Committee has amended this bill by:

- (1) Providing an affirmative requirement as recommended by the Insurance Commissioner that all health insurers provide coverage for an insured's injury that results from the insured's intoxication or being under the influence of any narcotic; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2364, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 2364, S.D. 2, H.D. 2.

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